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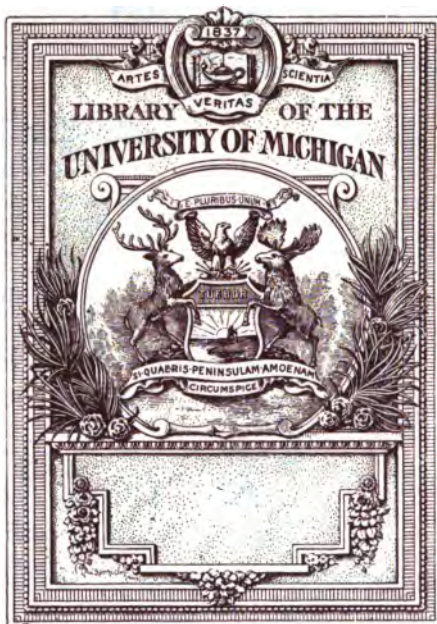
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MULTIPLE-SHOP ACCOUNTS

BY

J. HAZELIP, F.C.I.S.

LONDON :

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EDITOR'S PREFACE.

THE object of the series of handbooks that is being published under heading of THE ACCOUNTANTS' LIBRARY is to provide, at a reasonable price, detailed information as to the most approved methods of keeping accounts in relation to all the leading classes of industry whose books call for more or less specialised treatment. No such series has hitherto been attempted; but there exist, of course, numerous separate works dealing with the accounts of one particular class of undertaking. These separate works are, however, for the most part either too expensive, or too superficial to answer the purpose that is particularly aimed at by THE ACCOUNTANTS' LIBRARY, which is intended to supply the student with that specialised information which he may require, while at the same time affording to the trader, banker, or manufacturer who is not in a position to secure the fullest information for his purpose, knowledge which can hardly fail to be of the very greatest assistance to him in the correct keeping of his accounts, upon a system specially adapted to his requirements, and therefore involving a minimum expenditure of labour. It is expected that the series will also be found of material assistance to bookkeepers of all classes.

Without aiming at giving an exhaustive account of the manner in which each separate business is conducted, the technical points in connection with each industry will receive as much attention as is necessary in order fully to elucidate the system of accounts advocated, while each volume will be the work of one who has made that particular class of accounts more or less a speciality. It is obvious, however, that to enable the necessary ground to be covered in the space available, it is incumbent to assume upon the part of the reader a certain knowledge of general bookkeeping. The extent of the knowledge assumed will vary according to the nature of the class of accounts considered. For example, in the volumes on "Bank Accounts" and "Shipping Accounts," a thorough acquaintance with ordinary double-entry bookkeeping is not unnaturally assumed; but in the case, for instance, of "Auctioneers' Accounts," "Domestic Tradesmen's Accounts," and other similar volumes, such explanations are included as will enable the ordinary intelligent reader fully to grasp the methods described even although his knowledge of bookkeeping may be of an elementary description. These explanations are, doubtless, superfluous as far as accountants are concerned, but are necessary to make the volumes of value to the majority of those specially engaged in these particular industries.

To subscribers for the whole series it may be added that, when completed, it will form a most valuable and practically complete library, dealing, at the hands of specialists, with practically every class of accounts, and illustrating the application

of the theory of double-entry as described in general works on bookkeeping.

The first series (of twenty volumes) has already been completed, and particulars of the subjects dealt with will be found on p. iv. A second series (which will comprise about thirty more volumes) is now in progress, which when issued will complete the scheme. Many of these have already been arranged for, but the Editor will be glad to receive suggestions and offers from accountants of experience for the undertaking of volumes not yet announced.

34 Moorgate Street,

London, E.C.

June 1903.

INTRODUCTION.

SINCE the Companies Act of 1862 a great change has taken place in the methods of industry and trade. Where previously a moderate capital was deemed sufficient, to-day larger capital is employed, and manufacturing and commerce are conducted on a very large scale. The retail trade has followed the trend of the times, and the small shopkeeper is gradually giving way to the limited liability company, whose operations extend to national, and even international, proportions. The last decade has witnessed a striking development of the principle of shopkeeping by limited companies. In 1892 there were scarcely more than a dozen companies, with a capital of £6,000,000; from 1893 to the present time, 29 companies have been registered, with a capital exceeding £13,000,000. The capital invested to-day is nearly £20,000,000. In the Boot and Shoe trade alone there are nearly 200 multiple firms, controlling 4,000 shops, in the United Kingdom. It is not too much to expect that the principle, having been thoroughly tested by years of experience, will be extended till a large percentage of the retail trade of the country is conducted by multiple-shop firms. In view of this not remote possibility, a work explaining the system of accounts usually adopted, and

found satisfactory in practice, will be of utility to those already engaged in this class of business, and will tend to become more so in the course of years. The fact that multiple-shop firms are in such public favour is due to several causes, the chief of which is that they offer much more variety and choice of selection than smaller establishments are able to do. People are somehow attracted by the display of an emporium or a *marché*, and the large purchases which are made by multiple-shop firms enable them to sell commodities at the lowest margin of profit. "Small profits and quick returns" is their motto, and the economies effected with the command of large capital easily enable them to beat down the competition of their single-shop rivals.

J. H.

Leeds, September 1903.

MULTIPLE-SHOP ACCOUNTS.

PART I.

CHAPTER I.

ORGANISATION.

IN the case of an ordinary retailer or shopkeeper in a moderate way, the accounts are extremely simple, as the operations of buying and selling are usually confined to himself and an assistant. When a large number of shops are controlled, buying and selling are done by deputies, and it is this factor—and the necessity of providing checks against dishonesty, and also of enabling the proprietor to supervise the business—which causes the bookkeeping to become more complex. When the principal has to depend upon buyers and managers to make purchases and effect sales, everything should be so conducted that he can follow the transactions for which he will eventually be responsible.

As there is considerable difference in the class of businesses carried on by multiple-shop firms, there is also a variation of the system of accounts. Firms whose transactions are subject to fashion and seasons—such as those in the Clothing trades: Boots, Drapery, Suits, Hosiery, &c.—are compelled to hold larger stocks, and do not turn them over so often, or so rapidly, as dealers in Foodstuffs and Provisions, which are perishable,

and must be sold immediately, or otherwise become a loss. It will be seen therefore that the method of distributing supplies to branches, and of stockkeeping, will be different in one case to another. Where (as in the case of a dealer in Milk, Poultry, Game, or Meat) it is essential to get supplies fresh and wholesome, a central distributing dépôt would be almost useless; on the other hand, a firm of Tobacconists or Tea dealers can easily stock large supplies at a central dépôt, and distribute thence to its branches. In neither of these cases is fashion a great factor (although holiday seasons, such as Christmas, may make a slight difference in the demand, and temporarily alter the normal conditions of stockkeeping), yet there are many businesses where fashions and seasons have a determining effect on the method of organisation and system of accounts. Clothing, Boots, Hats, Hosiery are all subject more or less to the dictates of fashion, and orders are usually placed long in advance to manufacturers. The correct ratio of Stock to Sales in these trades is a most intricate matter to determine, and if not carefully watched may lead to serious consequences. The most important element for the successful working of multiple-shops is organisation, at once economical and efficient, by which every detail of the business can be followed and controlled. Without this, failure is certain. The more complete the system the greater profits and benefits will accrue. Shops do not always turn out a success; leakages occur in the stocks, and managers are sometimes careless, therefore a system, to be worth anything at all, must provide the necessary means to find out these various defects, and to be in a position to promptly remedy them.

The object of a multiple-shop company is to purchase and retail commodities for the purpose of profit-earning by means of shops; some firms own several hundred, others but a dozen or a score. These are usually supplied with goods weekly from

a large central warehouse, according to the nature of the trade carried on; in the larger concerns, it is sometimes more convenient and economical to have several District Warehouses, to which are attached a group of shops. These districts are not necessarily equal in size as regards area and number of shops embraced in each group, this being determined by various considerations. Cost of carriage, promptness in the despatch and receipt of goods by branches, local requirements—all influence the arrangement and grouping of shops into districts. If it is at all possible to supply the wants of a London customer with the same class of goods as, say, a Yorkshire or North of England one in clothes, boots, or other wearing apparel, a single central warehouse (say in Leicester for boots, or Leeds for clothing) would be most economical; but however desirable this may be from the standpoint of the trader, the customers' tastes frequently differ, according to the part of the country in which they live, and this is often a satisfactory reason for the establishment of supply warehouses in each of the great manufacturing, colliery, or agricultural districts of the country. Where the demand for commodities is pretty much the same from John o' Groats to Land's End, and where the cost of carriage is not a serious item of the expenses, one central warehouse is undoubtedly the most satisfactory, and causes the least amount of complication in the accounts, for although the tastes of the purchasing public may be better catered for by a system of district warehouses, the risk of heavy stocks (an item to be strictly guarded against) becomes very much greater, according to the multiplication of places at which these are kept, and the expenses for extra rent, rates, taxes, and other charges may outweigh other considerations.

The growing practice of several firms amalgamating may necessitate the retention of the old trading names, and for the

allocation of profits it may be found advisable to work a business from the different headquarters of the old firms; but wherever possible a concentration of the buying and distributing should be attempted. All orders should proceed from one Central Warehouse; all goods from manufacturers should go to it, all invoices should be checked there, and all branches should receive their supplies from it. It should be the "heart" of the whole system.

In order to make the subject perfectly clear, it is assumed that the transactions of the "Excel Retail Trading Co., Lim.," are under review, without specifying any particular trade. The principles and methods of accounts are practically the same, and thus the Excel Retail Trading Co., Lim., may stand for any of the numerous concerns which of recent years have retailed by means of branch shops almost every article of household and personal use. Multiple-shop firms dealing with Clothing, Boots, Hats, Drapery, Hosiery, Meat, Tea, Provisions, Bread, Milk, Butter, Drugs, Furniture, Tobacco, or Jewellery meet the eye in every large city in the country. The form of Branch Order Sheet, Cash Sheet, and Stock Sheet in each case is simply ruled and drawn up, in a method most adaptable to that particular trade. The specimen forms herewith given will be more applicable to the clothing and kindred trades. The company has a central warehouse and offices at Manchester, and twenty retail shops. On the 31st December 1895 the published Balance Sheet showed the affairs of the company as on page 5.

5

<i>Capital and Liabilities.</i>	<i>£</i>	<i>s</i>	<i>d</i>	<i>Property and Assets.</i>	<i>£</i>	<i>s</i>	<i>d</i>	<i>£</i>	<i>s</i>	<i>d</i>
Capital Subscribed :— 40,000 6% Cumulative Preference Shares £1 each fully paid 40,000 Ordinary Shares £1 each fully paid	P.L. 1	40,000	0 0	Goodwill Freehold Shop and Warehouse .. Leasehold Premises <i>Less Depreciation</i> Shop Fixtures and Fittings .. <i>Less 10% Depreciation</i>	P.L. II P.L. 6 P.L. 7	18,000 14,500 1,737 13 0 220 13 0 5,373 17 8 537 7 8	0 0 0 0 0 0 0 0 0 0 0 0	5,427 2 8 36,192 0 7 952 18 7 12,201 0 7		
Creditors Reserve Account Profit and Loss : Balance from last year Profit from January 1st to December 31st 1895	Sch. I P.L. 3 344 12 7 5,914 10 8	Additions Stock at Shops and Warehouse .. Debtors Cash at Bank Cash in hand	P.L. 8 .. Sch. I C.S. ..	4,836 9 4 .. 12,181 0 7 20 0 0	0 0 0 0 0 0 0 0 0 0			
<i>Less Interim Dividend paid :—</i> Preference Shares to June 30th (<i>less tax 8d. in the £</i>) £1,160 Ordinary (To be appropriated as per account below)	.. P.L. 4	2,320 0 0			3,939 3 3		88,784 2 5		
<i>Profit and Loss Appropriation Account.</i>										
1 year's Dividend on Preference Shares @ 6% per annum	P.L. 5	1,160	0 0							
1 year's Dividend on Ordinary Shares @ 8% per annum	P.L. 5	1,546 13 4								
To Reserve Account	P.L. 3	730 0 0								
Balance to carry forward	P.L. 4	482 9 11								
		3,939 3 3								

B

To illustrate the system of accounts, a period of twelve months has been taken ; but as the transactions in detail would be too numerous to be realistically treated within the scope of these pages, and, moreover, would involve needless repetition of details, specimen forms are given, filled up as they appear in actual business. To enable the student to follow the transactions, the totals for the year appearing in the different subsidiary books are printed in heavier type at the bottom of the specimen forms wherever necessary. The summarised details which make up the totals already mentioned can be posted from the figures given below, which represent the various books from which the Ledgers are posted. It is necessary to add that the opening figures for the Adjustment Accounts in the different Ledgers are shown in the Journals.

BALANCES, December 31st 1895.

	Fo.	Bought Ledger Cr.	Fo.	General Ledger Dr.	Fo.	General Ledger Cr.	Fo.	H.O. Private Ledger Cr.
		£ s d		£ s d		£ s d		£ s d
Sundry Creditors	B.L.	1,406 5 5	..					
Wages .. ..	..	..	..		1	50 0 0		
Rent .. ..	..	..	2	210 0 0	2	590 13 9		
Travelling ..	..	..	..	..	3	5 10 0		
Trade .. ..	..	..	..	..	4	10 0 0		
Sales .. ..	..	..	5	701 16 9				
Income Tax ..	..	..	..	..	..	..	12	130 0 0
Commissions ..	..	..	..	..	..	..	13	62 10 0
Rents Receivable	..	..	6	41 1 10				
Audit .. ..	..	..	..	..	..	..	14	150 0 0
		1,406 5 5		£952 18 7		£656 3 9		£342 10 0
Less Discounts	G.L.							
Reserved ..	12	60 0 0						
		£ 1,346 5 5						

PURCHASE JOURNAL.

	Folio	Purchase Journal
	G.L.	£ s d
Purchase of Goods	7	62,792 15 10
" Paper	8	835 11 3
Carriage	9	810 1 6
Trade	4	537 2 9
Advertising	10	470 17 6
Fixtures	11	294 9 5
Sundry Creditors	£65,740 18 3

MULTIPLE-SHOP ACCOUNTS.

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CASH.

	Folio	Discount Cr.	Folio	Bought Ledger Cr.	Folio	General Ledger			Folio	Head Office Private Ledger		
						Dr.	Fo.	Cr.		Dr.	Fo.	Cr.
		£ s d		£ s d		£ s d		£ s d		£ s d		£ s d
Sundry Creditors ..	..	..	B.L.	63,409 13 9	..	..	1	1,314 16 0	..	..	15	500 0 0
Wages ..	..	..	..	..	..	..	2	4,200 0 0	..	..	12	170 0 0
Rent ..	..	..	..	..	..	..		..	..	20 0 0	13	187 10 0
Directors' Fees ..	..	..	..	..	..	..		..	..	..	5	5,026 13 4
Income Tax ..	..	..	..	..	..	..		..	..	..	14	150 0 0
Transfer Fees ..	..	..	..	..	..	..		..	..	..
Commissions ..	..	..	..	..	..	181 1 10		..	..	..
Rents Receivable ..	..	..	..	..	..	..		..	..	..
Interest on Bank Account ..	..	..	..	..	..	..		..	..	..
Dividends ..	..	..	..	..	..	..		..	..	..
Audit ..	..	..	..	..	..	..		..	..	..
Discount ..	B.L.	2,384 12 7	..	..	..	..		..	..	115 0 0		£6,034 3 4
		£2,384 12 7		£63,409 13 9		£181 1 10		£5,514 16 0				
		G. L. 12										

MULTIPLE-SHOP ACCOUNTS.

CASH SHEETS.

	Folio	General Ledger Dr.	Folio	General Ledger Cr.
		£ s d		£ s d
Wages .. .. .	..	..	1	4,160 0 0
Travelling ... ..	..	..	3	51 3 0
Trade .. .. .	..	..	4	230 0 0
Sales	5	79,715 6 6		
		<u>£79,715 6 6</u>		<u>£4,441 3 0</u>
Balance of Cash in hand on December 31st 1895 was £20, and the same balance is in hand on December 31st 1896.				

BALANCES, December 31st 1896.

	Folio	Bought Ledger Cr.	General Ledger Dr.	General Ledger Cr.	H.O. Private Ledger Cr.
		£ s d	£ s d	£ s d	£ s d
Sundry Creditors		1,352 17 4			
Wages .. .. .		..	..	40 0 0	
Rent .. .. .		..	210 0 0	601 7 6	
Travelling .. ..		..	..	7 4 8	
Trade .. .. .		..	..	12 5 10	
Sales .. .. .		..	758 18 6		
Income Tax .. ..		..	..	..	130 0 0
Commissions .. ..		..	..	..	125 0 0
Rents Receivable		..	41 1 10		
Audit .. .. .		..	..	..	150 0 0
		<u>1,352 17 4</u>	<u>£ 1,010 0 4</u>	<u>£ 660 18 0</u>	<u>£ 405 0 0</u>
Less Reserve for Discount	G.L. 12	60 0 0			
		<u>£ 1,292 17 4</u>			

CHAPTER II.

THE SHOPS.

THE shops can be compared to the veins and arteries connected with the human heart. Their function is to turn stock into cash as quickly as possible. The trade is usually for ready money. If a middle class, or better class, trade is done, customers' accounts will also be opened. As the primary duty of shops is to sell, only a few books are kept. All payments are made from Head Office, except Wages and Petty Expenses, which are paid weekly out of takings.

Order Sheets.—

The manager of a shop requires repletion of stock in place of goods sold, and also has to furnish a Weekly Account to Head Office of cash received and sundry disbursements, an acknowledgment of goods received, and statement of stock in hand. To fill up his stock he sends an Order Form each week to the Central Warehouse, which either supplies him in accordance with his requests, or, as is more often the case, with necessary lines. If the manager is not a good stockkeeper, his weekly order is invariably cut down to what the warehouse manager considers a reasonable limit. The shop manager's order is made out in a triplicate manifold book, numbered consecutively, as per Form I. Two copies are sent to the Warehouse, and the tissue copy remains in the book in possession of the manager. The Warehouse executes the whole or part of the order, and one of the copies (Form IA.) is enclosed with the goods, properly extended at

Form I.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

No. 104.

Branch No. 1.

Order Jan. 7th 1896.

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MULTIPLE-SHOP ACCOUNTS.

Quantity	Description and No.	Sizes								Cost		Selling
		1	2	3	4	5	6	7	8			
4	Men's Goods											£ s d
3	Do. 127½	1	1	1	1	1	1	1	1	6/11	7/11	1 11 8
2	Do. 118	1	1	1	1	1	1	1	1	6/9	8/11	1 6 9
2	Do. 152	1	1	1	1	1	1	1	1	2/4	2/11½	0 5 11
7	Do. 1207	1	1	1	1	1	1	1	1	8/-	10/6	3 13 6
1	Do. 86	1	1	1	1	1	1	1	1	9/10	12/9	0 12 9
3	Do. 115	1	1	1	1	1	1	1	1	12/6	16/6	2 9 6
4	Do. 72	1	1	1	1	1	1	1	1	4/10	5/11	1 3 8
6	Women's Goods									7/1	8/11	2 13 6
2	Do. W18	1	1	1	1	1	1	1	1	4/2	4/11	0 9 10
5	Do. W19	1	1	1	1	1	1	1	1	3 8 9	18/6	4 12 6
6	Do. 15	1	1	1	1	1	1	1	1	8/9	11/6	3 9 0
9	Do. 1521	1	1	1	1	1	1	1	1	3/2	3/11½	1 15 7½
5	Do. 159	1	1	1	1	1	1	1	1	1/7	1/11½	0 9 9½
3	Do. 162	1	1	1	1	1	1	1	1	2/4	2/11½	0 8 10½
6	Children's Goods									4/2	4/11	1 9 6
8	Do. 337	1	1	1	1	1	1	1	1	1 5 0	5/11	2 7 4
2	Do. 227	1	1	1	1	1	1	1	1	4/10	6/11	0 13 10
4	Do. 229	1	1	1	1	1	1	1	1	5/7	10/6	2 2 0
4	Do. 16	1	1	1	1	1	1	1	1	8/-	1/11½	0 1 11½
1										1/7		
										£24 15 10		£31 17 6

For Binding

Manager's Order Sheet after quantities and cost price have been inserted and additions and extensions made (shown in heavier type). This Form is retained by the Warehouse.

Form I A.—

INVOICE.

No. 104.

THE EXCEL RETAIL TRADING COMPANY, LIM.

Branch No. 1.

Jan. 7th 1896.

Quantity Ordered	Description and No.	Sizes Sent								Price	Selling
		1	2	3	4	5	6	7	8		
4	Men's Goods 127½			1	1	1				7/11	£ s d
8	Do. 118	1	1	1				1		8/11	1 11 8
2	Do. 152						1			2/11½	1 6 9
7	Do. 1207			1	1	1		1		10/6	0 5 11
1	Do. 86									12/9	3 13 6
3	Do. 115		1							16/6	0 12 9
4	Do. 72									5/11	2 9 6
6	Women's Goods 159				1	1	1		1	8/11	1 3 8
2	Do. W18			1						4/11	2 13 6
5	Do. W19		1				1			18/6	0 9 10
6	Do. 15									11/6	4 12 6
9	Do. 1521						2	1		9/11½	3 9 0
5	Do. 159			1						1/11½	1 15 7½
3	Do. 162			1						2/11½	0 9 9½
6	Children's Goods 318					1	1		2	4/11	0 8 10½
8	Do. 337						1	1		5/11	1 9 6
2	Do. 227			1						6/11	2 7 4
4	Do. 229						1			10/6	0 13 10
1	Do. 16									1/11½	2 2 0
											0 1 11½
											£31 17 6

Duplicate portion of Manager's Order Sheet, converted into an Invoice and sent along with the Goods to the Branch Shop.

MULTIPLE-SHOP ACCOUNTS.

11

Form II.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

36.

Branch No. 1.

January 9 1896.

CREDIT NOTE.

			Sizes					Cost	Selling
			2	..	2	..	1		
	Goods RETURNED TO WAREHOUSE.							£ s d	£ s d
5	Men's Goods No. 2,016	.. ..	..	..	..	..	9/6	2 7 6 11/6	2 17 6
2	Women's Goods No. 1,480	.. ..	..	..	2	..	6/6	0 13 0 8/6	0 17 0
1	Children's Goods No. 3,100	.. ..	1	..	..	..	2/5	0 2 5 2/11	0 2 11
								£3 2 11	£3 17 5

The Cost price is inserted on the Form retained by Warehouse, and shown here in heavier type.

selling price, and cast up. This the shop manager treats as an invoice, and debits his weekly Stock Account accordingly. Shops are worked under a number, and are known as "Branch No. 1," &c.; all forms and returns quote the number only. On referring to the Order Sheet retained by the Warehouse, it will be noticed that the cost price has been inserted and the sheet made up at both cost and selling prices, to be afterwards entered through the trading books. It is not advisable to let the managers know the cost price of goods, and their stocks are always worked out at selling prices. Sometimes goods, having deteriorated, are returned by a branch, or a reduction is made in the selling price; when this happens the branch manager receives a Credit Note from the Warehouse, and takes credit on his Stock Account for the amount. (Form II. Credit Note printed in red, original retained for office purposes.) Or he may receive or send odd, or filling up, lines to another branch, in which case both the receiving and supplying branch send a Transfer Form to the Warehouse. (Form III. Debit Transfer.) (Form IV. Credit Transfer, printed on coloured paper.)

Form III.—

DEBIT TRANSFER.

No. 28.

THE EXCEL RETAIL TRADING COMPANY, LIM.

Goods Received by No. 1.

January 10th 1896.

From No. 7.

				Cost	Selling
				£ s d	£ s d
2	Men's Goods, No. 2,176	27/-		2 14 0	35/-
1	Women's Goods, No. 1,350	8/6		0 8 6	10/6
4	Children's Goods, No. 3,070	4/-		0 16 0	5/-
				£3 18 6	£5 0 6

Cost price is filled in at the Warehouse, shown here in heavier type.

Form IV.—

CREDIT.

No. 16.

THE EXCEL RETAIL TRADING COMPANY, LIM.

Transfer of Goods January 10th 1896,

From No. 7

to

No. 1.

				Cost	Selling
				£ s d	£ s d
2	Men's Goods, No. 2,176	27/-	2 14 0	35/-	3 10 0
1	Women's Goods, No. 1,350	8/6	0 8 6	10/6	0 10 6
4	Children's Goods, No. 3,070	4/-	0 16 0	5/-	1 0 0
				<u>£3 18 6</u>	<u>£5 0 6</u>

Cost price is filled in at the Warehouse, shown here in heavier type.

As all tickets, packing, string, and other sundries are supplied by the Warehouse, they are ordered by the shop manager as required from time to time on a Sundries Order Sheet. (Form V.)

Form V.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

Branch No..... 18

SUNDRIES ORDER SHEET.

Quantity	Description	Paper, String, and Boxes	Trade Expenses, Books, Stationery, and Printing.
		£ s d	£ s d
1 cwt.	Wrapping Paper	1 7 6	
1 doz.	Twine 8/- doz.	0 4 0	
1 doz.	Do. 6/-	0 3 0	
1 gross	Boxes 6/- grs.	0 6 0	
1	Ledger		0 5 0
1	Invoice Day Book		0 3 9
100	Order Sheets		0 2 6
	Window Tickets		1 10 0
		<u>£2 0 6</u>	<u>£2 1 3</u>

This Form is sent in by the Manager with only quantity and description; prices, and extensions filled in by Warehouse. Duplicate slip returned to Manager, along with articles sent. Figures filled in at Warehouse shown in heavier type.

Receipts.—

The bulk of cash received is taken over the counter as ready money when sales are effected. Each assistant is supplied with a Counter Check Book. When the assistant sells an article, he makes out an invoice in his duplicate Check Book (Form VI.),

Form VI.—

ABERDEEN,.....

M.....

Con. No. 1,027

BOUGHT OF

THE EXCEL RETAIL TRADING CO., LIM.,
GENERAL MERCHANTS.

Served by	Exd. by	Date		
		£	s	d
Men's Goods		1	12	6
A. J., Pd., Jan. 6/96				

HALF-HOLIDAY on THURSDAY—June to September inclusive.

a separate one being kept for each assistant. This is initialled by another assistant, and after entering the amount in the index of his Check Book (Form VIA.) the salesman hands the cash, along with the two slips, to the cashier at the cash desk. The

Form VI.A.—

	PAID			TOTAL		
1026						
1027	1	12	6			
1028		15	0			
1029		12	6			
1030		8	11			
1031		3	0			
1032		2	11			
1033		10	6			
1034	1	1	0			
1035		3	11			
1036		8	6			
1037	1	2	0	7	0	9
1038						
1039						
1040						
1041						
1042						
1043						
1044						
1045						
1046						
1047						
1048						
1049						
1050						

latter retains the duplicate and returns the other, stamped "Paid," to the assistant, with any change due. The cashier puts the counter slip on a file, and at the close of the day (or early next morning) checks the counter slips with the assistants'

indexes which have been handed in to her before closing time. If found in order, the indexes are entered up into the Daily Takings Book (Form VII.). This book contains in detail the receipts from all sources, and sundry disbursements, which are afterwards transferred in totals to an ordinary Cash Book. Where it is necessary to show Departmental Accounts, the assistants' Counter Check Book will show to which department the sale must be credited.

For example, Form VII. (*vide* pages 18 and 19) shows a shop which employs eight assistants, including the manager, and it is divided into three departments—say (1) Clothing, (2) Boots, (3) Hats and Caps. Each department would probably be served thus :—

	£	s	d
Clothing Department—Assistants No. 1, 3, and 8, takings ..	65	16	11
Boot " " " 2, 5, and 6 "	54	18	0
Hat and Cap " " " 4, and 7 "	26	18	7
Sundries 	0	17	2

and the cash received on account of Credit Sales would be entered to the proper department and appear on Form VII.

	£	s	d
Retail Account—Clothing 	3	0	0
Boots 	2	0	0
Hats and Caps 	1	0	5

The general expenses would appear as a charge against the total receipts, but wages and particular expenses would be charged to the departments. At the end of the year, the general expenses appearing on the Cash Account will be allocated to the different departments on a percentage basis.

Having made the cash and expenditure up each day, a Cash Account is made up at the end of the week and forwarded to

Form VII.—

THE EXCEL RETAIL TRADING, CO., LIM.

COUNTER CHECKS, Week ending January 11th 1896.

Assist'nt	Counter Check No.	Monday	Tuesday	Wednes- day	Thursday	Friday	Saturday	Total
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
1	1027/38	7 0 9	6 14 2	10 12 6	1 0 0	4 6 0	19 13 10	49 7 3
2	..	2 0 0	1 10 0	4 7 0	0 12 6	2 7 0	15 12 2	26 8 8
3	..	0 4 0	..	1 2 9	..	1 7 0	10 6 8	13 0 5
4	..	1 0 4	0 15 3	2 1 8	..	2 0 8	15 7 11	21 5 10
5	..	..	..	2 1 0	0 6 3	1 0 0	12 1 5	15 8 8
6	..	..	..	1 7 10	..	0 13 0	10 19 10	13 0 8
7	..	..	..	1 6 5	..	..	4 6 4	5 12 9
8	..	..	..	..	..	..	3 9 3	3 9 3
		10 5 1	8 19 5	22 19 2	1 18 9	11 13 8	91 17 5	147 13 6
Sund's. Retail A/cs.	..	..	..	..	..	..	0 17 2	0 17 2
	..	..	..	0 5 10	..	..	5 14 7	6 0 5
Jobbing Department								
Wholesale								
		£10 5 1	£8 19 5	£23 5 0	£1 18 9	£11 13 8	£98 9 2	£154 11 1

19

DISBURSEMENTS FROM CASH DESK, Week ending January 11th 1896.

Monday		Tuesday		Wednesday	
		Carriage	£ s d 0 0 10 0 0 6 20 0 0	Carriage	£ s d 0 0 6
			£20 1 4		£0 0 6
Thursday		Friday		Saturday	
		Carriage	£ s d 0 0 10 0 1 0 0 3 6 0 1 0 20 0 0	Carriage	£ s d 0 0 4 0 1 0 0 7 1 40 0 0 65 0 0
		Postage		Postage	
		Train fare		Sundries	
		Advertising		Cash to Bank	
		Cash to Bank		" "	
				Wages :	
				45/-, 26/-, 20/-, 15/-, 10/-,	
				6/-, 6/-, 3/6	
				Lad, 1/-	
			£20 6 4		£112 0 11

Head Office. A very neat form is one which shows the Cash Account on one side of the paper and the Stock Account on the other. (Forms VIII., VIIIA, and VIIIB, and Forms IX. and IXA.) The manager signs for the balance of stock in hand at the foot of his Stock Account.

Form VIII.—**No. 2.****THE EXCEL RETAIL TRADING COMPANY, LIM.****BRANCH No. 1.****CASH ACCOUNT, Week ending January 11th 1896.**

For Binding purposes	Date	Gross Sales	Goods	Date	Payments	Fo.	
	1896 Jan. 6	Monday ..	£ s d 10 5 1		Carriage ..	G.L. 1	£ s d 0 2 6
	7	Tuesday ..	8 19 5				
	8	Wednesday ..	23 5 0		Sundry Ex- penses, 2/6, 7/1	G.L. 1	0 9 7
	9	Thursday ..	1 18 9		Travelling ..	G.L. 1	0 3 6
	10	Friday ..	11 13 8		Advertising ..	G.L. 1	0 1 0
	11	Saturday ..	98 9 2		Wages ..	G.L. 1	6 12 6
			154 11 1		Cash to Bank, £20; £20; £105	B.R. 2	145 0 0
		Balance from last Account	4 0 0		Balance to next Account	..	6 2 0
			£158 11 1				£158 11 1

NOTE.—Saturdays takings are banked first thing on Monday morning, but included as Saturday in the previous week of the Bank Cash Received Book

Form VIIIa.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

Branch No. 1.

CASH ACCOUNT, Week ending January 11th 1896.

	Receipts				Payments			
	Clothing	Boots	Hats	Total	Date		Fol.	
Monday ..	£ s d 7 4 9	£ s d 2 0 0	£ s d 1 0 4	£ s d 10 5 1		Carriage ..	..	£ s d 6 2 6
Tuesday ..	6 11 2	1 10 0	0 15 3	8 10 5		Sundry Expenses, 2/6, 7/1	..	0 9 7
Wednesday ..	11 15 3	7 15 10	3 18 1	22 10 2		Travelling ..	..	0 3 6
Thursday ..	1 0 0	0 18 9	.. ..	1 18 9		Advertising ..	..	0 1 0
Friday ..	5 13 0	4 0 0	2 0 8	11 13 8			..	
Saturday ..	33 9 9	38 13 5	19 14 3	91 17 5			..	
Sundries ..	.. ..	.. ..	0 17 2	0 17 2			..	
Total Sales ..	65 16 11	54 18 0	27 15 9	148 10 8		Total General Expenses ..	..	0 16 7
Cash from other sources (Specify here)						Wages—Clothing ..	..	3 7 0
						Boots ..	..	1 10 6
						Hats ..	..	1 6 0
Retail Accounts ..	3 0 0	2 0 0	1 0 5	6 0 5		Bank, £20; £20; £105 ..	..	145 0 0
	£68 16 11	£56 18 0	£28 16 2	£54 11 1			..	
Balance last week ..	.. ..	.. ..	.. ..	4 0 0		Balance in Hand ..	..	6 2 0
				£158 11 1			..	£158 11 1

Signed, R. JONES, Manager.

Form VIII. B.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

Branch.....

CASH ACCOUNT.

Week ending.....19....

Date	Gross Sales	Repairs	Goods	Date	Payments and Allowances	Folio	£ s d
Monday..	£ s d	£ s d		Carriage .. ..	.. ..	.. ..
Tuesday				Sundry Expenses	.. ..	.. ..
Wednesday				Travelling .. ..	.. ..	.. ..
Thursday				Advertising .. ..	.. ..	.. ..
Friday				Repairs Expenses	.. ..	.. ..
Saturday				Wages .. ..	.. ..	.. ..
Repairs				Total Expenses ..	.. ..	.. ..
Balance from last Account ..					Cash to Bank ..	.. ..	.. ..
					Balance to next Account	.. ..	.. ..

Note.—Alternate Form VIIIa. to show takings for Repairs or Jobbing.
This Form would be used by Clothiers, Hatters, Boot Dealers, Watch Dealers, &c. who have a fair amount of jobbing work to do. The charges against these receipts for Materials and Labour would be included in the Repairs Expenses.

Left for Binding purposes.

Form IX.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

Branch No. 1.

STOCK ACCOUNT.

Week ending January 11th 1896.

Date	Goods Received		Date	How Disposed of	
1896		£ s d	1896		£ s d
Jan. 6	To Balance of Stock in hand this date ..	2,107 7 4	Jan. 10	By Goods Sold as per Statement ..	154 11 1
7	" Goods as per Invoice, 104 ..	31 17 6	9	" Credit Notes, 36 ..	3 17 5
8	" Do. 105 ..	32 8 0		Balance, being amount of Stock on Premises	
9	" Do. 106 ..	25 10 0		this day ..	2,104 13 2
10	" Do. 107 ..	60 5 10			
	" Do. Special s 101 ..	0 12 6			
	Transfer, No. 7 ..	5 0 6			
	Total ..	£2,263 1 8		Total ..	£2,263 1 8

Gentlemen,

I acknowledge having received for your account the amount of Goods stated above, and certify that the Stock now upon the premises, as per my books, amounts to *Two Thousand One Hundred and Four Pounds, Thirteen Shillings, and Two Pence*, at Selling Prices, as stated above.

(Signed)

Date, *January 11th 1896.*

R. JONES, *Manager.*

Form IX. A.— THE EXCEL RETAIL TRADING COMPANY, LIM.
STOCK ACCOUNT. Branch No. 1.

Weekly Stock Summary	Date	Clothing.	Boots	Hats	Total	Total Sales for Week
Amount of Stock on	1896 Jan. 6	f s d 1,051 1 2	f s d 732 2 10	f s d 304 3 4	f s d 2,107 7 4	f s d 68 16 11
Add Goods received during week ..	6/11	70 5 0	62 7 4	23 2 0	155 14 4	
Deduct Returns and Transfers .. ..	..	1,121 6 2 3 17 5	814 10 2 ..	327 5 4 ..	2,263 1 8 3 17 5	56 18 0
Deduct Sales for week .. .. .	..	1,117 8 9 68 16 11	814 10 2 56 18 0	327 5 4 0 17 2 27 19 0	2,259 4 3 154 11 1	27 19 0 0 17 2
Amount of Stock at Closing Time on Saturday .. .. .	..	f 1,048 11 10	f 757 12 2	298 9 2	2,104 13 2	f 154 11 1

I acknowledge having received for your account the amount of Goods stated above, and certify that the Stock now upon the premises, as per my books, amounts to *Two Thousand One Hundred and Four Pounds, Thirteen Shillings, and Two Pence*, at Selling Prices, as stated above.

Date, *January 11th 1896.*
(Signed) R. JONES, *Manager.*

Daily, wherever convenient, or at least twice a week, the cash is sent to the bank. The bank teller initials a Bank Advice (Form X.), which is sent by next post to the Head Office by the shop manager.

Form X.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

No. 1 Shop.

January 7th 1896.

SIR,

I have to-day paid into the Bank the sum of *Twenty Pounds*.

. Yours truly,

R. JONES,

Branch Manager.

To the Secretary.

Received above sum	LLOYDS BANK.	E. B.
--------------------	--------------	-------

Goods sent out on approval, or sold on credit to customers of good standing, are invoiced in an Invoice Day Book (Forms XI. and XIA.). Goods returned by customers are marked off in the Day Book, and, if cash is at the same time paid for the goods retained, the entry is made in the Day Book and referenced off to the Cash Book. If the goods have been accepted, and are not paid for, they are posted to the Sundries Debt Ledger (Form XII.).

Form XI.—

January 6th 1896.

MR. JOHN SMITH,

Specimen Entry, No. 1.

WOOD STREET, ABERDEEN.

		Ledger Folio		
	Gent.'s Bals., 5/11, 6/11, 7/11, 8/11	55	16	10
Date Ret'd.	Jan. 9th 1896.			
Date Ret'd.				

January 13th 1896.

MR. WM. THOMPSON,

Specimen Entry, No. 2.

STONE STREET, ABERDEEN.

		Ledger Folio		
	Gent.'s Bals., 6/11, 12/6 .. ..	..	12	6
Date Ret'd.	Jan. 14th 1896.			
Date Ret'd.	Pd. Jan. 4th 1896.	C.B. I		

*Instructions to Branch Managers as to the method of keeping an Account
of Credit Sales.*

This book is meant to serve the double purpose of Day Book and Invoice Book.

By inserting the carbon paper between the pages, the top page when filled in properly becomes the Day Book entry; the underneath page is the Invoice to be given to the customer.

The carbon paper is blue only on one side, the blue side must be placed downward upon the Invoices. By using a black lead pencil, and writing on the Day Book page, a copy will be made on the Invoice, which will then be torn out and given to the customer.

To save space if several articles are sent out together on approval they can be entered all on one line, as in the specimen copies above.

The extensions should not be made in the Day Book till the return of the goods not approved had come in, the date of these returns should be shown as on Specimen No. 1.

The Day Book entries should be posted to the Ledgers once a week, if not paid for within that time.

Goods paid for within the course of a few days need not be posted to the Ledger, but the Day Book should show that the cash had been received as per Specimen No. 2.

A small Cash Book for credit payments only must be kept, from which the posting will be made to the Ledger, or the entry written off to the Day Book, as the case may be.

THE LEDGER.

This is an ordinary Ledger, only ruled for Goods and Repairs or Jobbing. The postings will be made weekly from the Day Book and entered into the respective columns as either Goods, Repairs, or Jobbing. Goods and Repairs being shown on one side and Cash payment on the other.

Very old accounts might be put together near the end of the book.

If the accounts can be arranged in alphabetical order it would facilitate reference. Sundry small accounts might be kept in the last pages of the Ledger, but treated in the same way in every respect.

Form XI. A.—

THE EXCEL RETAIL TRADING CO., LIM.

ABERDEEN, *January 6th* 1896.

To MR. JOHN SMITH,

WOOD STREET, ABERDEEN.

Given to Customer.

Gent.'s Bals., 5/11, 6/11, 7/11, 8/11 ..			
--	--	--	--

THE EXCEL RETAIL TRADING CO., LIM.

ABERDEEN, *January 13th* 1896.

To MR. WM. THOMPSON,

STONE STREET, ABERDEEN.

Given to Customer.

Gent.'s Bals., 6/11, 12/6			
---------------------------------	--	--	--

Form XII.—

SALES.

CASH RECEIVED.

55.

Dr.

JOHN SMITH, WOOD STREET, ABERDEEN.

Cr.

Date	Description	Day Book Folio	Goods	Repairs or Jobbing	Date	Cash Book Folio	Discount or Allowances	Cash for Goods	Cash for Repairs or Jobbing
1896 Jan. 1	To Gent's Boots	10	£ 0 10 10	£ s d			£ s d	£ s d	£ s d

Provision is made for large accounts by having a certain number of the pages ruled for one account on a page only.

The Day Book and Cash Book are posted every week to this Ledger. As managers are as a rule poor bookkeepers, clear instructions should be sent them as to how Credit Accounts should be treated. It is a source of great trouble and annoyance to auditors to have to examine page after page of hieroglyphics, with accounts made up in the most erratic manner, and the Debt Ledger and Day Book just described (along with the printed instructions where there are numerous branches) is specially devised to simplify this work. Cash received for Credit Accounts is entered in a small memo. Cash Book, and posted to the credit of Customers' Accounts in the Ledger. The daily total of such cash is entered as Retail Accounts in the Daily Takings Book. The customer is given an official receipt, which is checked off to the Cash Book in going through the accounts.

CHAPTER III.

THE WAREHOUSE.

It is a mistaken idea to imagine that in a large retail trade money is made solely by the branches. On the face of it, such is naturally the first conclusion; the truth is, however, that it is good buying and stockkeeping, more than good selling, which yield satisfactory dividends to shareholders. The best and most energetic shop manager cannot build up a good sound business unless he is supplied with goods of the best quality at the lowest price obtainable. Good and cheap articles "sell themselves"; and while a bad manager might ruin a branch, bad or reckless buying would ruin a strong company. The heart must be sound and well, or the circulation will be bad.

This result can only be attained by the adoption of a proper system at the Central Warehouse. Each season the buyer sees the representatives of firms and gives his orders. He first of all ascertains the condition of the stock in the Warehouse, the requirements of branches, what lines have taken well, what lines have not been successful, and, with these and many other points in his mind, orders up for the coming season. Under his instructions the Warehouse manager makes out the orders in a triplicate manifold Order Book, numbered, and giving careful descriptions of the class of goods required, date for delivery, &c. (Form XIII.). One copy is sent to the manufacturer, one retained for office reference, and one sent to the stockkeeper. The Warehouse copy does not show the price at which the goods have been ordered.

Form XIII.—

ORDER.

No. 39

FROM THE EXCEL RETAIL TRADING CO., LIM.,
TO NORTHAMPTON BOOT CO.,
NORTHAMPTON.
MANCHESTER.

Telephone 2015.
September 10th 1896.

For Delivery see below.

**When
Invoiced please
quote Number
of this Order.**

[illegible]

Form XIV.—

WAREHOUSE ORDER BOOK.

NORTHAMPTON BOOT CO., NORTHAMPTON.

[illegible]

The orders are entered in the Warehouse Order Book, kept in Ledger manner (Form XIV.). Special Orders and Returns to manufacturers are made out in different manifold books (Forms XV. and XVI.). As soon as the goods are received, the cases, bales, or hampers are weighed in the packing room, and particulars entered in the Packing Room Book (Form XVII.), from which the Railway Accounts are afterwards checked.

Form XV.—**400****SPECIAL ORDER**

FROM

THE EXCEL RETAIL TRADING
COMPANY, LIM.

MANCHESTER.

To

LION BROS. & Co.,

LONDON.

September 10th 1896.

Please make and forward to _____ Our Branch at _____

High Street, Aberdeen,

the undermentioned Specials to descriptions given. The invoice must be sent here only.

One pair of _____ Ladies' Glace Kid Oxos.,

Broad Heels.

MEASUREMENTS.

Size	Joints	Instep	Heel	Ankle	Leg	Shape of Toe	Price
7	10	10½	13½	..	..	..	7/- no more

Must be delivered within 5 days.

 All Specials must be marked with our Order Number.

Form XVI.—

500

RETURNS TO MANUFACTURER.

FROM		To		
THE EXCEL RETAIL TRADING		NORTHAMPTON BOOT CO.,		
COMPANY, LIM.,		NORTHAMPTON.		
MANCHESTER.		September 20th 1896.		
Quantity	Description	Price		Remarks
1	1718	9/9	£ s d 0 9 9	Poor Stiffener

Kindly send Credit Note for the Amount.

The cases, &c., are then unpacked and the goods entered in the Goods Inwards Book (an ordinary memo. book will answer this purpose), examined as to quantity and quality, and marked off by the stockkeeper to his copy of order, so that he can tell if the order has been under or over executed, according to the terms of delivery. This is then passed on to the Warehouse clerk, who marks off the sizes received in the Warehouse Order Book.

Form XVII.—

PACKING ROOM BOOK

Consignor

Date.	Name	Address	No. of Cases	Tons	Cwts.	Qrs.	Lbs.	Carriers	Rate	Remarks
Sept. 11 1896	H. Dyer & Co. ..	Leicester ..	2 ..	..	4	2	14	Mid. Railway Co.	14/3	Part of the Goods wet

Form XVIII.—

WAREHOUSE INVOICE BOOK.

Quantity	No.	Description	Price	2	3	4	5	6	7	8	9	10	11	12	13	1
		September 10th 1896.														
		H. Dyer & Co.—														
72	1562	Ladies' Kid Leg Bals., NT ..	5/5		24	36		12								
48	1606½	" " Button, BT ..	5/7	6	18	12	12									
		October 15th 1896.														
144	1718	Northampton Boot Co.—														
		Gents' Grain Hide Dby...	9/9		re	g	u	l	a	r	s	i	z	e	s	

When the invoice is received it is entered in the Warehouse Invoice Book (Form XVIII.), and checked off to the Warehouse Order Book. The account to which the goods must be charged is written on the invoice in blue pencil. Every week the orders from branches are made up and despatched, the cost price inserted, extensions and additions made, and the order forms thus become invoices, to be posted by the Head Office into the General Ledger.

Carriage, being a large item of expenditure, is carefully checked from the Packing Room Book, and the rates by means of a Railway Rate Book.

CHAPTER IV.

HEAD OFFICE.

HAVING received the numerous Returns and Forms from the Warehouse and Branches, the duty of the Head Office is to collect these materials together, and enter them up into the financial books of the company, in order to make up a Trading Account, Profit and Loss Account, and Balance Sheet.

The invoices are naturally the first matter to deal with. These having been vouched for by the Warehouse manager, the Head Office has no concern as to the correctness of prices or terms, although it is wise to follow these as much as possible. The extensions and additions must be checked, and, if correct, the invoices will be initialled by the clerk who has checked them, and handed to another clerk to be entered into the Purchase Journal. The analysis having been done at the Warehouse, the clerk proceeds to give each invoice a number, and enters the date, name of firm, description of goods, and the amount in the respective columns of the Purchase Journal (Form XIX.), and then passes them on to be filed away. The totals are then made up monthly and posted to the debit of the Purchases Account in the General Ledger, and the expenses to the debit of the various Branch Expense Accounts in the same Ledger. The Personal Accounts are posted to the credit of the different firms in the Bought Ledger. Credit Notes from manufacturers are entered in red ink, and deducted from the totals of the Purchase Journal.

BRANCH SUPPLIES, Week ending January 11th 1896.

[illegible]

The Branch Order Sheets received by the Head Office from the Warehouse next require attention. These are checked and initialled, and bear a rubber stamping showing who is responsible for their correctness. They are then entered into a Goods to Branches (or Branch Supplies) Journal in single weekly totals (Form XX.), and posted to the debit of the branch in the General Ledger at both cost and selling prices. Credits are deducted from the debits in the Branch Supplies Journal before posting. Twine, paper, tickets, and similar sundries supplied from the Warehouse, are dealt with in the Journal as though they were goods. The totals are then posted to the credit of Purchases Account, and to the credit of Twine or Paper Account, as the case may be, and the individual branch debits to the various Branch Accounts under proper heading in the General Ledger.

By far the most important return is the weekly Branch Cash Account. On the debit side are all the receipts, or daily takings, which represent the sales; the week's total is posted to the Branch Sales Account in the General Ledger, and if the sales are sub-divided into different departments, a separate Ledger Account is kept for each of the departmental sales. The credit side of the Return is posted to the various Branch Accounts in the columns for Advertising, Carriage, Trade Expenses, and Wages, as the case may be; although the Wages are shown in detail on the Cash Return, they are posted in total in the Ledger. The payment to bank is posted to the *total* column in the Bank Receipts Book (Form XXI.), in which the Bank Advices received daily during the week have already been entered; the cross-cast of the daily entries for the branch should then agree with the total posted from the Cash Account.

The Cash Return has now been dealt with, and is handed to the clerk whose duty it is to examine the manager's Stock

Form XXI.—

FOL. 2.

BANK RECEIPTS, Week ending January 11th 1896.

Branch	Monday, 6th	Tuesday, 7th	Wednesday, 8th	Thursday, 9th	Friday, 10th	Saturday, 11th	Total for Week
1 Aberdeen ..	£ s d	£ s d 20 0 0	£ s d	£ s d	£ s d 20 0 0	£ s d { 40 0 0 } 65 0 0 }	£ s d 145 0 0
2 Bangor ..	10 0 0	.. ..	.. ..	.. ..	39 10 0	.. ..	49 10 0
3 Cambridge ..	.. ..	10 10 0	.. ..	.. ..	.. ..	45 10 0	56 0 0
4 Dewsbury ..	10 0 0	.. ..	40 0 0	.. ..	.. ..	40 0 0	90 0 0
5 Edinburgh ..	.. ..	10 0 0	.. ..	.. ..	50 0 0	60 0 0	120 0 0
6 Filey ..	.. ..	.. ..	.. ..	.. ..	.. ..	25 0 0	25 0 0
7 Glasgow ..	5 0 0	.. ..	10 0 0	.. ..	50 0 0	{ 5 0 0 } 35 0 0 }	105 0 0
8 Harrogate ..	.. ..	20 0 0	.. ..	.. ..	.. ..	55 0 0	75 0 0
9 Ipswich ..	.. ..	.. ..	20 0 0	.. ..	.. ..	28 0 0	48 0 0
10 Jarrow..	.. ..	17 0 0	.. ..	.. ..	10 0 0	13 0 0	40 0 0
11 Kettering ..	.. ..	.. ..	.. ..	15 0 0	.. ..	30 0 0	45 0 0
12 Liverpool ..	40 0 0	20 0 0	.. ..	20 0 0	20 0 0	100 0 0	200 0 0
13 Manchester ..	10 0 0	.. ..	.. ..	60 0 0	.. ..	80 0 0	150 0 0
14 Newcastle-on-Tyne ..	.. ..	25 0 0	25 0 0	30 0 0	.. ..	120 0 0	200 0 0
15 Oldham ..	.. ..	.. ..	.. ..	20 0 0	30 0 0	.. ..	50 0 0
16 Preston ..	.. ..	.. ..	.. ..	.. ..	20 0 0	10 0 0	30 0 0
17 Rochdale ..	.. ..	.. ..	.. ..	.. ..	40 0 0	30 0 0	70 0 0
18 Shipley ..	.. ..	.. ..	.. ..	.. ..	.. ..	20 0 0	20 0 0
19 Todmorden ..	.. ..	.. ..	.. ..	.. ..	.. ..	18 0 0	18 0 0
20 Wigan..	.. ..	.. ..	.. ..	.. ..	.. ..	38 0 0	38 0 0
Warehouse ..	£75 0 0	£122 10 0	£95 0 0	£145 0 0	£279 10 0	£857 10 0	£1574 10 0

MULTIPLE-SHOP ACCOUNTS.

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CHEQUES PAID, Week ending January 11th 1896.

Form XXII.—

No. of Cheque	Name	Description	Voucher	Amount of Cheque	Discount	Discount Folio	Discount	B.L. Fo.	Bought Ledger	G.L. Fo.	General Ledger	H.O.L.	Head Office Private Ledger
10206	The Manufacturing Co.	Suits	..	£ 215 7 6	£ s d		12 18 0		£ s d		£ s d		£ s d
7	The Daily Herald	Advertising	..	30 0 0	..		..		215 7 6				
8	Joiner & Mender Bros.	Repairs	..	13 6 6	..		..		30 0 0				
9	J. & J. Gas	Plumbing	..	7 2 1	..		..		13 6 6				
10210	Cloth Co.	Hats, &c.	..	182 12 6	10 18 5		..		182 12 6				
1	Lilley & Sons	Juveniles	..	27 8 6	1 12 4		..		7 2 1				
2	E. Wall	Sundries	..	5 0 3	0 3 0		..		27 8 6				
3	London & N. W. Ry.	Carriage	..	35 1 3	..		..		5 0 3				
4	Petty Cash (Office)	J. Smith	..	15 0 0	..		..		35 1 3				
5	Aberdeen Rent	R. Long, 1/4 to Dec. 31, 1895	..	50 0 0	..		..		..
6	Wages (Warehouse)	T. Thompson	..	8 10 0	..		..		..		50 0 0		
7	Aberdeen Electric Light Co.	Electric Light	..	21 19 6	..		..		..		8 10 0		
8	Do. Fire Insurance	Jan./Dec. 1896	..	1 14 0	..		..		..		21 19 6		
				£ 613 2 1	£ 25 11 9				£ 515 18 7		£ 82 3 6		£ 15 0 0

Account. If this is found in order, the combined form (Cash Account and Stock Account) is put away for audit purposes, and bound at the end of the year.

Where a large number of cheques are drawn, a special Cheque Payment Book (Form XXII.) is useful. All accounts paid by cheque are entered into it, showing Cheque No., Payee,

Form XXII.A.—

Dr.

ABERDEEN

Date	Folio	Trade Expenses	Wages	Travelling	Carriage	Adver- tising	Folio	Goods at Cost Price
1896		£ s d	£ s d	£ s d	£ s d	£ s d		£ s d
January 11	{ C.S. 2 B.S.J. 2	0 9 7 2 1 3	6 12 6	0 3 6	0 2 6	0 1 0	B.S.J. 2 ¹	112 11 5
Intermediate figures for transactions during the year not shown in detail.)		110 3 8	348 13 4	9 9 11	..	78 5 0		4,825 9 1
December 31	Reserve	..	2 10 0					
		£112 14 6	£357 15 10	£9 13 5	£0 2 6	£78 6 0		£4,938 0 6

The figures shown in heavier type have

Amount (in its proper Ledger column), and Discount. The Personal Accounts are posted direct to the Bought Ledger, and the Nominal Accounts direct to the Branch Account in the General Ledger. As the Bank Receipt Book and Cheque Payment Book are only conveniences to enter up and post the details of receipts and payments, the weekly totals are transferred to the General Cash Book.

A few remarks are here necessary to explain the General Ledger. In order to make the postings to it as simple and compact as possible, the ordinary style of Ledger rulings is replaced by columnar rulings wherever found more convenient, and the different accounts are brought together on one page under the heading of a Branch instead of a separate page for each Expense Account. Form XXII.A shows the Ledger

BRANCH.

Cr.

Goods at Selling Price	Paper, String, and Boxes	Date	Detail	Rent, Rates, Taxes, Gas, Water, and Insurance	Date	Folio	Sales
£ s d	£ s d	1896		£ s d	1896		£ s d
		Jan. 1	By Reserve, Rent	26 7 0	Jan. 1	{ Book Debts (Reserve)	44 0 2
		"	do. Light	10 10 4			
			To Reserve, Poor Rate ..	2 5 0			
			do. District Rate ..	8 17 2			
151 16 11	2 0 6		do. Water	0 11 9	" 11	C.S. 2	154 11 1
5,952 16 1	79 11 7½			272 19 4			6,285 16 7
		Dec. 31	To Reserve, Rent	50 0 0	Dec. 31	Book Debts	72 7 11
		"	do. Light	15 18 10			
		"	By Reserve, Poor Rate ..	1 13 9			
		"	do. District Rate ..	8 8 9			
		"	do. Water	0 9 9			
£6,104 13 0	£81 12 1½			£303 2 6			£6,468 15 5

been deducted before making up the totals.

Account for the Aberdeen Branch. In the case of the purchases made by the Warehouse for Goods, Paper, String, &c., Sundries, or for Trade Expenses, which are used for the purpose of supplying branches, a separate account is opened for each, in the pages with ordinary Ledger rulings.

It is here assumed for the sake of convenience and simplicity that all the intermediate figures have been posted to the

Branch Accounts in a similar manner to that shown in the Aberdeen Branch Account previously given. To get out a Trial Balance, the debits and credits of each Branch Account are extracted, and the Ledger made self-balancing by means of an Adjustment Account, to which the contra entries for all the post-

Form XXIII.—*Dr.***GENERAL**

Date	Description	Fo.	Bought Ledger	General Ledger	Head Office Private Ledger	Bank
1896 Jan. 4 11	Weekly Cash, Bank ..		£ s d	£ s d	£ s d	£ s d
				1,574 10 0	..	1,574 10 0
	Intermediate figures for transactions during the year not shown in detail		..	73,880 15 4	115 0 0	73,995 15 4
	Totals for year 1896 ..		..	75,455 5 4	115 0 0	75,570 5 4
	To Adjustment Account, General Ledger ..	15	63,409 13 9	5,514 16 0	..	68,924 9 9
	" Adjustment Account, Private Ledger ..	10	..	..	75,455 5 4	75,455 5 4
			£63,409 13 9	£80,970 1 4	£75,570 5 4	£219,950 0 5

ings appearing in the Ledger are carried. The adjustment entries may be made in a very simple manner, if the Cash Book is ruled as per Form XXIII.

The monthly, quarterly, or yearly total of the receipts shown in the General Ledger column of the General Cash Book are brought into the payment column of the same Ledger, and posted to the debit of Adjustment Account in the General

Ledger; the payments are carried into the receipt column of that Ledger and posted to the credit of Adjustment Account. With the addition of the Bought Ledger balances (see Form XXVII.), the General Ledger Trial Balance will agree, as illustrated by Form XXIV.

CASH BOOK.

Cr.

Date		Fo.	Discount	Bought Ledger	General Ledger	Head Office Private Ledger	Bank
			£ s d	£ s d	£ s d	£ s d	£ s d
1896 Jan. 4 11			25 11 9	515 18 7	82 3 6	15 0 0	
			2,359 0 10	62,893 15 2	5,432 12 6	6,019 3 4	74,958 13 1
	Total for 1896 ..		2,384 12 7	63,409 13 9	5,514 16 0	6,034 3 4	74,958 13 1
	By Adjustment A/c, General Ledger	15	..	..	75,455 5 4	..	75,455 5 4
	" Adjustment A/c, Private Ledger..	10	..	..	..	68,924 9 9	68,924 9 9
	" Bank A/c, Transfer Pvie. Ledger	9	..	..	..	611 12 3	611 12 3
			£2,384 12 7	£63,409 13 9	£80,970 1 4	£75,570 5 4	£219,950 0 5

Reserves.—

At the close of the year (say December 31st) it will be found that a number of accounts have either been paid in advance, or that liabilities have accrued but have not been treated in the expenses. Rent, Rates, Taxes, Water, Light, Insurance, &c., generally fall due on the usual quarter days, and they will therefore require to be brought into the accounts for whatever proportion of time not already included in the books. For

Form XXIV.—

PERIODICAL GENERAL LEDGER TRIAL BALANCE.

No.		Dr.			Cr.		
		£	s	d	£	s	d
0	Warehouse	1,993	19	3	2,511	2	6
1	Aberdeen	5,849	14	0½	6,396	7	6
2	Bangor	2,365	18	8½	2,490	5	8½
3	Cambridge	2,735	10	10	2,787	12	1
4	Dewsbury	4,943	14	0	5,526	17	6
5	Edinburgh	5,454	7	9	5,961	4	10
6	Filey	1,186	18	10½	1,240	19	0
7	Glasgow	4,885	2	10½	5,326	9	0
8	Harrogate	4,751	4	4	5,216	14	4
9	Ipswich	2,217	16	7	2,435	16	4½
10	Jarrow	2,599	4	6½	2,621	5	10½
11	Kettering	2,427	19	10½	2,619	18	11
12	Liverpool	7,731	7	1	8,614	15	7
13	Manchester	4,042	14	0	4,300	2	11
14	Newcastle-on-Tyne	6,826	11	4	7,836	16	4
15	Oldham	2,997	11	11	3,169	11	2
16	Preston	1,807	12	6	1,765	9	2
17	Rochdale	4,106	3	5½	4,573	2	3
18	Shipley	1,675	17	4	1,305	17	9½
19	Todmorden	1,719	2	1½	1,605	0	1
20	Wigan	2,792	2	1	2,732	13	5
		75,110	13	6	81,338	2	4
	Adjustment Account	7,580	6	2			
	Bought Ledger Balances				1,352	17	4
		£82 690	19	8	£82,690	19	8

example, there are liabilities against the current year's Trading Account on the Aberdeen Branch of Wages £2 10s., Rent £50, Light £15 18s. 10d., which require debiting to these accounts respectively. On the other hand, Poor Rate £1 13s. 9d., District Rate £8 8s. 9d., and Water 9s. 9d. have to be credited, as these accounts have been paid to cover a period later than when the accounts are made up.

The demand notes and invoices should be carefully examined to find out the period covered. If the entries in the Cheque Payment Book show clearly for what period the payments have been made, it will facilitate matters at the close of the year, and the Ledger would contain full information, so that, in going through it, a glance would show whether an account required debiting for a liability accrued or crediting for an amount

overpaid. The items for which Reserves will usually have to be made are Rent, all Taxes, Rates, Gas, Water, Insurance, Wages, Commission, Trade Expenses, Advertising, Discounts, Carriage, &c.

In making up these figures a very good plan is to journalise the entries, as they then serve as balances which will finally appear on the Balance Sheet, and also serve as a useful guide year by year, thus materially economising time when most precious.

To close the Ledger, the reserves are posted from the General Ledger Journal (Forms XXV. and XXV.A, see pages 48 and 49) to the Branch Accounts. If the Stocks at the commencement and at the end of the year are included, the Branch Accounts will then give all particulars necessary for making up the Branch Trading Accounts, showing the profit made or loss sustained at each branch. The different branch revenue items are now transferred in yearly totals to one general account for each of the headings shown in the Branch Accounts, and by means of the General Ledger Journal are closed and carried to the Adjustment Account.

MULTIPLE-SHOP ACCOUNTS.

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Form XXV.A.—

OLD ACCOUNT DR. TO NEW ACCOUNT.

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Dr. Cr. Fo. Fo.	Wages	Rent	Water	Light	Foot Rate	District Rate	House Duty and Sch. A.	Traveling	Trade Expenses
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Warehouse ..	2 15 0	..	2 15 0	6 0 0	..	..	..	7 4 8	12 1
Aberdeen ..	2 10 0	50 0 0	..	15 18 10	..	..	..
Bangor ..	1 5 0	..	0 7 0	3 19 9	..	..	1 13 3		
Cambridge ..	1 10 0	3 17 0	..	19 10 2	..	..	
Dewsbury ..	2 10 0	..	..	21 15 0	..	..	
Edinburgh ..	2 15 0	..	..	14 10 3	..	..	
Filey ..	1 0 0	25 0 0	..	23 19 2	..	..	
Glasgow ..	1 10 0	27 14 0	0 10 0	34 9 9	2 4 4	5 18 9			
Harrogate ..	1 10 0	22 2 0	..	9 11 10	..	..	
Ipswich ..	1 15 0	13 4 0	0 4 0	4 12 6	..	..	
Jarrow ..	1 5 0	18 18 0	..	17 1 8	0 16 8	3 6 8			
Kettering ..	1 5 0	13 4 0	..	4 2 8	1 6 3	..			
Liverpool ..	4 10 0	5 4 0	1 6 3	38 3 1	..	..	
Manchester ..	1 10 0	20 2 0	0 3 0	9 18 6	2 10 0	23 2 6			
Newcastle-on-Tyne ..	2 10 0	..	..	23 11 9	..	1 16 5	0 11 3		
Oldham ..	1 10 0	2 6 0	1 1 0	8 9 11	..	..	
Preston ..	1 10 0	6 12 0	..	32 6 10	1 13 4	1 7 9			
Rochdale ..	2 10 0	..	..	14 19 2	..	..	
Shipley ..	1 10 0	..	0 7 6	4 19 5	..	..	
Todmorden ..	1 10 0	..	..	16 13 4	..	..	
Wigan ..	1 10 0	10 17 0	..	..	..	..
	40 0 0	217 8 0	6 13 9	328 13 7	8 10 7	37 17 1	2 4 6	7 4 8	12 5 10
	£601 7 6				Total ..				£666 18 0
G.L. 1	G.L. 2				G.L. 3				G.L. 4

Form XXV.B.—

6

GENERAL JOURNAL.			Dr.	Cr.
1896		Fo.	£ s d	£ s d
Dec. 31	Branch Depreciations Account	13	789 7 4	
	To Leaseholds Account	14	..	226 13 0
	" Fixtures Account	11	..	562 14 4
	(For Depreciations.)			
			<u>£789 7 4</u>	<u>£789 7 4</u>
	• Branch Interest on Freehold Account	16	652 10 0	
	To Adjustment Account	15	..	652 10 0
	(For Interests.)			
	Leaseholds Account	14	226 13 0	
	Fixtures Account	11	562 14 4	
	Sales Account	5	79,772 8 3	
	Rents Receivable Account	6	181 1 10	
	Discounts Account	12	2,384 12 7	
	To Adjustment Account	15	..	83,127 10 0
	(For Transfers to Private Ledger.)			
			<u>£83,780 0 0</u>	<u>£83,780 0 0</u>
	• Adjustment Account	15	77,143 8 10	
	To Wages Account	1	..	5,464 16 0
	" Rents, Rates, &c., Account	2	..	4,210 13 9
	" Travelling Expenses Account	3	..	52 17 8
	" Trade Expenses Account	4	..	769 8 7
	" Purchases (Goods) Account	7	..	62,792 15 10
	" Paper, String, &c., Account	8	..	835 11 3
	" Carriage Account	9	..	810 1 6
	" Advertising Account	10	..	470 17 6
	" Branch Depreciations Account	13	..	789 7 4
	" Fixtures Account	11	..	294 9 5
	" Interest on Freeholds Account	16	..	652 10 0
	(For Transfers to Private Ledger.)			
			<u>£77,143 8 10</u>	<u>£77,143 8 10</u>

The final Trial Balance may now be taken out from the following Ledger entries (Form XXVI.), which have been posted from the transactions in opening the accounts on pages 5 and 8. These represent the accounts complete, including the Reserves, all the closing figures are printed in heavier type, which, if omitted, would give the figures for a Trial Balance prior to making up the reserves.

Form XXVI.—

GENERAL LEDGER.

1--Dr.			WAGES ACCOUNT.						Cr.—1		
1896			£ s d			1896			£ s d		
Dec. 31	To Cash ..	C. B. 3	1,314	16	0	Jan. 1	By Balance ..	Sch. 1	50	0	0
"	" " ..	C. S. 4	4,160	0	0	Dec. 31	" Private Led	Jnl. 6	5,474	16	0
"	" Reserves ..	Jnl. 8	40	0	0						
			<u>£5,514 16 0</u>						<u>£5,514 16 0</u>		
						1897					
						Jan. 1	By Balance ..	Jnl. 8	40 0 0		

RENT, RATES, TAXES, AND INSURANCE													
2—Dr.				ACCOUNT.				Cr.—2					
1896				£	s	d	1896				£	s	d
Jan. 1	To Balance ..	Sch. 1		210	0	0	Jan. 1	By Balance ..	Sch. 1		590	13	9
Dec. 31	" Cash ..	C. B. 3		4,200	0	0	Dec. 31	" Reserves ..	Jnl. 9		210	0	0
"	" Reserves ..	Jnl. 8		601	7	6	"	" Private Led	" 6		4,210	13	9
				£5,011	7	6					£5,011	7	6
1897							1897						
Jan. 1	To Balance ..	Jnl. 9		210	0	0	Jan. 1	By Balance ..	Jnl. 8		601	7	6

3—Dr.			TRAVELLING EXPENSES ACCOUNT.						Cr.—3			
1896 Dec. 31	To Cash ..	C. S. 4	£	s	d	1896 Jan. 1	By Balance ..	Sch. 1	£	s	d	
"	Reserves ..	Jnl. 8	51	3	0	Dec. 31	" Private Led	Jnl. 6	5	10	0	
			7	4	8				52	17	8	
			<u>£58 7 8</u>						<u>£58 7 8</u>			
						1897 Jan. 1	By Balance ..	Jnl. 8		7	4	8

4—Dr.			TRADE EXPENSES ACCOUNT.						Cr.—4		
			£	s	d				£	s	d
1896	To Purchases . . .	P. J. 2	537	2	9	1896	By Balance . .	Sch. 1	10	0	0
Dec. 31	" Cash . . .	C. S. 4	230	0	0	Jan. 1	" Private Led	Jnl. 6	769	8	7
"	" Reserves . .	Jnl. 8	12	8	10	Dec. 31					
			<u>£779 8 7</u>						<u>£779 8 7</u>		
						1897					
						Jan. 1	By Balance . .	Jnl. 8	12	5	10

5—Dr.

SALES ACCOUNT.

Cr.—5

1896 Jan. 1	To Balance ..	Sch. 1	£ s d 701 16 9	1896 Dec. 31	By Sales ..	C. S. 4	£ s d 79,715 6 6
Dec. 31	" Private Led	Jnl. 6	<u>79,772 8 3</u>	"	" Reserves..	Jnl. 9	<u>788 18 6</u>
			<u>£80,474 5 0</u>				<u>£80,474 5 0</u>
1897 Jan. 1	To Balance ..	Jnl. 9	758 18 6				

6—Dr.

RENTS RECEIVABLE ACCOUNT.

Cr.—6

1896 Jan. 1	To Balance ...	Sch. 1	£ s d 41 1 10	1896 Dec. 31	By Cash ..	C. B. 3	£ s d 181 1 10
Dec. 31	" Private Led	Jnl. 6	<u>181 1 10</u>	"	" Reserve ..	Jnl. 9	<u>41 1 10</u>
			<u>£222 3 8</u>				<u>£222 3 8</u>
1897 Jan. 1	To Balance ..	Jnl. 9	41 1 10				

7—Dr.

PURCHASES (GOODS) ACCOUNT.

Cr.—7

1896 Dec. 31	To Purchases .	P. J. 2	£ s d 62,792 15 10	1896 Dec. 31	By Private Led	Jnl. 6	£ s d 62,792 15 10
			<u>62,792 15 10</u>				<u>62,792 15 10</u>

8—Dr.

PURCHASES (PAPER, &c.) ACCOUNT.

Cr.—8

1896 Dec. 31	To Purchases .	P. J. 2	£ s d 835 11 3	1896 Dec. 31	By Private Led	Jnl. 6	£ s d 835 11 3
			<u>835 11 3</u>				<u>835 11 3</u>

9—Dr.

CARRIAGE ACCOUNT.

Cr.—9

1896 Dec. 31	To Purchases .	P. J. 2	£ s d 810 1 6	1896 Dec. 31	By Private Led	Jnl. 6	£ s d 810 1 6
			<u>810 1 6</u>				<u>810 1 6</u>

10—Dr.

ADVERTISING ACCOUNT.

Cr.—10

1896 Dec. 31	To Purchases .	P. J. 2	£ s d 470 17 6	1896 Dec. 31	By Private Led	Jnl. 6	£ s d 470 17 6
			<u>470 17 6</u>				<u>470 17 6</u>

11—Dr.

FIXTURES ACCOUNT.

Cr.—11

1896 Dec. 31	To Purchases ..	P. J. 2	£ s d 294 9 5	1896 Dec. 31	By Private Led " Depreciat'n Account..	G. J. 6	£ s d 294 9 5
"	" Private Led	Jnl. 6	562 14 4	"	"	Jnl. 6	562 14 4
			<u>£857 3 9</u>				<u>£857 3 9</u>

12—Dr.

DISCOUNTS ACCOUNT.

Cr.—12

1896 Jan. 1	To Balance ..	Sch. 1	£ s d 60 0 0	1896 Dec. 31	By Discounts received ..	C. B. 3	£ s d 2,384 12 7
Dec. 31	" Private Led	Jnl. 6	2,384 12 7	"	" Reserve ..	Jnl. 9	60 0 0
			<u>£2,444 12 7</u>				<u>£2,444 12 7</u>
1897 Jan. 1	To Balance ..	Jnl. 9	60 0 0				

13—Dr.

BRANCHES DEPRECIATION ACCOUNT.

Cr.—13

1896 Dec. 31	To Fixtures A/c " Leaseholds	Jnl. 6	£ s d 562 14 4 226 13 0	1896 Dec. 31	By Private Led	Jnl. 6	£ s d 789 7 4
"	"	"	<u>£789 7 4</u>	"	"	"	<u>£789 7 4</u>

14—Dr.

LEASEHOLDS ACCOUNT.

Cr.—14

1896 Dec. 31	To Private Led	Jnl. 6	£ s d 226 13 0	1896 Dec. 31	By Depreciat'n Account..	Jnl. 6	£ s d 226 13 0
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15—Dr.

ADJUSTMENT ACCOUNT.

Cr.—15

1896 Jan. 1	To Balances ..	✓	£ s d 2,002 9 2	1896 Jan. 1	By Balances ..	✓	£ s d 952 18 7
Dec. 31	" Cash ..	C. B. 3	75,455 5 4	Dec. 31	" Cash Bt. L.	C. B. 3	63,409 13 9
"	" Journal ..	6	77,143 8 10	"	" Gen. L.	3	5,514 16 0
				"	" Journal ..	6	83,780 0 0
				"	" Bal. down.	✓	943 15 0
			<u>£ 154,601 3 4</u>				<u>£ 154,601 3 4</u>
1897 Jan. 1	To Balance ..	✓	943 15 0				

BRANCH'S INTEREST ON FREEHOLDS

16—Dr.

ACCOUNT.

Cr.—16

1896 Dec. 31	To Interest ..	Jnl. 6	£ s d 652 10 0	1896 Dec. 31	By Private Led	Jnl. 6	£ s d 652 10 0
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The Bought Ledger.—

This is of the usual type, the postings are made from the Purchase Journal to the credit of the different firms, and the cash and discount posted from the Bought Ledger column in the Cheque Payment Book to the debit of the Personal Accounts. As there is never any difficulty in balancing this Ledger, no Adjustment Account need be employed. The last balances and the purchases are shown as credits and the cash and discount balances, as extracted from the Bought Ledger, as debits (Form XXVII.).

Form XXVII.—

BOUGHT LEDGER TRIAL BALANCE, December 21st 1896.

				Dr.		Cr.
				£	s	d
Balances, December 31st 1895	..	..	..	..	..	..
Purchases .. .. .	..	..	..	..	..	1,406 5 5
Cash .. .. .	..	..	..	63,115	4	65,446 8 10
Discount .. .. .	..	..	..	2,384	12	
Balances, December 31st 1896	..	..	..	1,352	17	
				£66,852	14	£66,852 14 3

CHAPTER V.

STOCK - KEEPING.

STOCKTAKING.

HAVING dealt with the accounts in so far as they relate to financial operations, before making up the Trading and Profit and Loss Account, it is necessary to consider a matter of great importance which vitally affects the Trading Accounts—that is, of course, the Stock. No system of accounts can show a true and proper statement unless the stocks have been properly and honestly ascertained.

When there are perhaps hundreds of shops to deal with, it is almost impossible to take them all on the same day. In a large establishment it would dislocate business, and be an impossible task, without a very large staff engaged upon it, who could not be spared from their proper duties. And even if it could be arranged, it would be inadvisable. The Stock is taken under the personal supervision of a responsible head, who personally sees the work done in each department. When the Stock to be taken is a very large one, it may extend over two or three days, or when the Branches are very numerous stocktaking will extend over a period of five or six weeks. As the task is a heavy one, many firms do not take an annual stock at all, but take stock throughout the whole year, adjusting the figures to the period when the accounts are made up.

Other firms take stock at selling prices only, and take off a percentage of profit to reduce it to cost. This is very unsatisfactory. The cost price and selling price do not always bear the same ratio to each other, and if one line sells considerably better than another a difference in the profits would result.

The system of taking stock throughout the year, for the purpose of checking the manager's Stock, is necessary and wise, both in the interest of the employers and employed; but for the purposes of account there are several reasons why a proper stocktaking should take place as near as possible to the date of the closing of the books. In the first place, the accounts should give as near as humanly possible the actual stocks at cost price; and, in the second place, the adjustments become a matter of considerable complication when the period varies greatly between branch and branch, and a variation of .5 in the percentage of profit would vitiate the figures in a large Stock to a serious extent. Then again, if any leakage or deficiency between the period of stocktaking and the making up of accounts occurs, a branch might possibly show a profit instead of a loss—a fact which would be discovered in the course of a few months, but the Trading Account (as published) would be incorrect. An illustration of how to check leakages will be given when showing the method of stocktaking.

Intermediate Stocktaking.—

The Superintendent visits the shop and tells the Manager he has come to take Stock; he brings with him a manifold Stock Book, ruled (as per Form XXVIII., and containing printed instructions to be observed, Form XXIX.), and proceeds to take the Stock, the Manager calling out the quantities and selling prices, the Superintendent entering them up in his book, after checking the counts and prices given by the Manager. The

Form XXVIII.— **FIXTURES A.** **INTERMEDIATE STOCKTAKING.** **MEN'S GOODS.**

[illegible]

SUMMARY OF FIXTURE A.

[illegible]

The fixtures in the shop should be lettered A, B, C, &c. Each section or fixture can be taken separately, and, if necessary, totalled up separately, and a description given of the goods as a kind of heading, thus :—Fixture A, Men's Goods ; Fixture B, Women's Goods ; Fixture C, Children's Goods ; or the totals carried forward and cast out at one figure.

window is taken from the outside. As most of the prices run in certain ranges, the form here given is arranged to enable the figures to be cast up and extended with the least amount of labour; it is obvious, where perhaps 100 stocks have to be taken, that economy in labour is a great factor. When the Stock has been taken it is signed for by the Manager, the tissue copy left with him to make up for his own protection, and the Stock Book sent to the Head Office to be made up (Form XXX.). Packing and Sundries are not usually included when a check stocktaking is made.

Form XXIX.—**STOCK-TAKING INSTRUCTIONS.**

1. Name of Branch should be distinctly stated.
2. Date stocktaking *commenced*, and if not completed in one day the date and time of completion.
3. Figures should be *very* plain, especially fractions, and figures easily mistaken for one another.
4. Corrections should be made by crossing out incorrect entries or figures and re-writing *same*.
5. Separate accounts should be taken of
(a) Goods; (b) Paper, Twine, and Sundries; (c) Book Debts.
6. Goods on approval should be stated in detail in the Stock Book, and not included in the Book Debts.
7. Book Debts should be shown on special form supplied, and should show Ledger Folio, Date of Account, Full Name and Address. Bad or Doubtful Debts must be noted in Remark Column.
8. Cash in hand. State for what days.
9. *Managers must sign on last stock sheet.*

As the intermediate or periodical stockings vary somewhat from the annual stocktaking, inasmuch as they do not show quite as much detail, a *pro formâ* Stock Account and Reconciliation of Manager's Stock Account is here given on Form XXX.

Form XXX.—

BRANCH No. 1.—STOCKTAKING, Wednesday, March 11th 1896.

ADJUSTMENT OF INTERMEDIATE STOCK.

		£	s	d
Stock as per Stock Sheets at selling price	.. ..	1,853	18	10
Cash in Hand, Monday, March 9th	.. £12 15 10			
„ „ Tuesday, March 10th	.. 14 8 2			
„ „ Wednesday, March 11th	.. 2 17 10			
			30	1 10
			1,884	0 8
Book Debts as per list	.. ..		50	18 5
			£1,934	19 1

This Stock has been worked back to Saturday, March 7th 1896 and now shows the value of Stock as on that date, and can be compared with Manager's Stock Account, week ending March 7th. The Manager appears to have signed for £1,937 19s. 1d., but a note in the Stock Book allows £3 for goods reduced in price, and thus the Manager's Stock Account agrees with the Stock found in the shop at the stocktaking and with the books of the Company as shown by the following

STOCK RECONCILIATION ACCOUNT.

Branch No. 1—

		Selling Price
		£ s d
Stock at commencement January 1st 1896	.. ..	1,789 16 4
Book Debts, „ „	.. ..	48 1 4
		1,837 17 8
Goods received since (January to March 7th)..	..	620 3 8
		2,458 1 4
Goods sold to March 7th .. ..	.. ..	520 2 3
		1,937 19 1
Allowance for reductions in price	.. ..	3 0 0
		£1,934 19 1
Goods per Stocktaking, March 11th	£1,884 0 8	
Book Debts, „	50 18 5	
	£1,934 19 1	

considerably. In all trades there are "catch" lines, which yield no profit, or hardly any, so that it is more accurate to take the goods at both prices. The Stock is taken under the supervision of the Superintendent, as before, and the cost prices, extensions, and additions made up by the Head Office (Form XXXII.).

Form XXXII.—

As before stated, the stocks cannot all be taken at the end of the year, so that generally an adjustment of a few days has to be made. As this is somewhat puzzling to many people, the following explanation may be useful: When the Stock is taken prior to the closing of accounts, the Sales effected between the periods must be deducted from the Stock, whilst the Purchases must be added.

For example: All stocks assumed to be taken on December 31st 1896. A stock is taken on Monday morning, December 28th 1896.

	Cost	Selling
Goods, Book Debts, Sundries, &c.	£800 0 0	£1,000 0 0
Goods received by Branch ..	80 0 0	100 0 0
	<u>880 0 0</u>	<u>1,100 0 0</u>
Sales, Monday to Thursday ..	£120 0 0	
Reduce to Cost, less 20% ..	<u>24 0 0</u>	
	<u>96 0 0</u>	<u>120 0 0</u>
	<u>£784 0 0</u>	<u>£980 0 0</u>

If, on the other hand, the same Stock had been taken on Tuesday, January 5th 1897, the Sales after December 31st 1896 would be added, and the Goods received by the branch deducted, viz.:—

	Cost	Selling
Goods, Book Debts, and Sundries on January 5th 1897 ..	£784 0 0	£980 0 0
Goods sold Friday to Tuesday ..	£120 0 0	
Reduce to Cost, less 20% ..	<u>24 0 0</u>	
	<u>96 0 0</u>	<u>120 0 0</u>
	<u>880 0 0</u>	<u>1,100 0 0</u>
Less Goods received by Branch January 1st to January 5th..	<u>80 0 0</u>	<u>100 0 0</u>
Stock as on December 31st 1896 ..	<u>£800 0 0</u>	<u>£1,000 0 0</u>

The object of the adjustment being to revert to the actual position of the stocks on the closing date.

In bringing the Stock into the Trading Account, a percentage of $2\frac{1}{2}$ per cent. or 5 per cent. is taken off the cost price total to cover discounts received, which makes the Stock in reality of less value than when taken ; although in fixing the percentage to deduct, the cost of carriage paid (which increases the value of Stock) must be taken into consideration.

Head Office Private Ledger.—

Following the accounts from the position shown on the Balance Sheet as on December 31st 1895, the transactions which appear in this Ledger are items of capital receipts and expenditure which occur during the year, and receipts and expenses in connection with the administration of the company and not directly chargeable to either the Warehouse or branches, and the closing entries carried from the General Ledger to make up the Balance Sheet and General Profit and Loss Account. The credit postings are made from the Private Ledger column in the General Cash Book, the debit postings from the same column in the Cheque Payment Book, and the closing entries from the Private Ledger Journal (Form XXXIII., *vide* page 63), which, amongst other entries, will bring in the Trading Account and Profit and Loss and balances, so that the accounts can be completed in this Ledger. In the Ledger Accounts given (Form XXIIA.) the postings are made from the opening transactions on pages 5-8, as in the case of the General Ledger. The adjustment is made by bringing the debits of the General Ledger and Bought Ledger cash into the debit column of the Private Ledger cash, and *vice versa*. The difference between the debits and credits will show the bank balance, which is posted to the Bank Account. The balance of the Adjustment Account in the General Ledger should agree with the balance of the same account in the Private Ledger, only appearing on a different side.

Form XXXIII.—

No. 7.

PRIVATE LEDGER (HEAD OFFICE) JOURNAL.

		<i>Dr.</i>		<i>Cr.</i>	
		Fo.	£ s d	£ s d	
1896					
Dec. 31	Trading Account :— For Expenses transferred from General Ledger—				
	Wages Account	18	5,464 16 0		
	Rents, Rates, &c., Account ..	19	4,210 13 9		
	Travelling Expenses Account ..	20	52 17 8		
	Trade Expenses Account ..	21	769 8 7		
	Purchases (Goods) Account ..	22	62,792 15 10		
	Paper, String, &c., Account ..	23	835 11 3		
	Carriage Account	24	810 1 6		
	Advertising Account	25	470 17 6		
	Depreciations Account	26	789 7 4		
	Fixtures Account	8	294 9 5		
	Interest on Freeholds (Branches) Account	30	652 10 0		
	To Adjustment Account	10	..	77,143 8 10	
			£77,143 8 10	£77,143 8 10	
Dec. 31	Adjustment Account :— To Sales Account	10	83,780 0 0		
	Rents Receivable Account	27	..	79,772 8 3	
	Discounts Account	28	..	181 1 10	
	Interest on Freeholds (Head Office) Account	29	..	2,384 12 7	
	Fixtures Account	31	..	652 10 0	
	Leaseholds Account	8	..	562 14 4	
	(For transfers from General Ledger)	7	..	226 13 0	
			£83,780 0 0	£83,780 0 0	
Dec. 31	Income Tax, Old Account <i>Dr.</i> to New Account <i>Cr.</i>	12	£ s d	£ s d	
	Commissions Do.	13	130 0 0	130 0 0	
	Accountancy Do.	14	125 0 0	125 0 0	
			150 0 0	150 0 0	
			£405 0 0	£405 0 0	

Form XXXIII.A.—

PRIVATE LEDGER.

1—Dr.				Cr.—1			
PREFERENCE SHARE CAPITAL ACCOUNT.							
			1896 Jan. 1	By Balance	.. .. .	✓	£ s d 40,000 0 0
2—Dr.				Cr.—2			
ORDINARY SHARE CAPITAL ACCOUNT.							
			1896 Jan. 1	By Balance	.. .. .	✓	£ s d 40,000 0 0
3—Dr.				Cr.—3			
RESERVE ACCOUNT.							
			1896 Jan. 1	By Balance	.. .. .	✓	£ s d 2,500 0 0
			"	" Profit and Loss Account	.. .. .	✓	750 0 0
							£3,250 0 0

Cr.—4

PROFIT AND LOSS ACCOUNT.

4—Dr.

1896 Jan. 1	To Dividend Account— Preference Dividend, 6 months Ordinary Dividend, 6 months Reserve Account.. .. " Balance down	Fo. 5 5 3 3 ✓	£ 1,166 0 0 1,546 13 4 730 0 0 482 9 11 <u>£3,939 3 3</u>	1896 Jan. 1	By Balance	✓	£ 3,939 3 3
Dec. 31	To Directors' Fees & Office Wages " Commission " Income Tax " Audit Fee " Balance down—Net Profit " Do. from last year	Fo. 15 13 12 14 ✓ ✓	£ 500 0 0 250 0 0 170 0 0 150 0 0 6,183 10 6 482 9 11 <u>£7,736 0 5</u>	" Dec. 31	By Balance " Transfer Fees " Bank Interest " Interest on Freeholds " Trading Account—Profit	✓ Fo. 16 17 31 32	£ 482 9 11 20 0 0 99 0 0 682 10 0 6,486 0 6 <u>£7,736 0 5</u>
				1897 Jan. 1	By Balance	✓	£ 6,666 0 5

Cr.—5

DIVIDENDS ACCOUNT.

5—Dr.

1896 Dec. 31	To Cash	C.B. 3	£ 2,706 13 4	1896 Jan. 1	By Profit and Loss Account ..	Fo. 4.	£ 2,706 13 4
"	To Cash	" 3	2,320 0 0				

6—Dr.

FREEHOLD PROPERTY ACCOUNT.

Cr.—6

1896 Jan. 1	To Balance	✓	£ s d 14,500 0 0		

7—Dr.

LEASEHOLD PREMISES ACCOUNT.

Cr.—7

1896 Jan. 1	To Balance	✓	£ s d 1,511 0 0	1896 Dec. 31	By Depreciation " Balance down	✓	£ s d 228 13 0 1,284 7 0
1897 Jan. 1	To Balance	✓	£1,511 0 0				£1,511 0 0

8—Dr.

FIXTURES AND FITTINGS ACCOUNT.

Cr.—8

1896 Jan. 1	To Balance	✓	£ s d 5,427 2 8	1896 Dec. 31	By Loss on Sale Depreciation " Balance down	✓	£ s d 30 0 0 543 14 4 5,188 17 9
1897 Jan. 1	To Balance	✓	£5,427 2 8				£5,721 12 1

Cr.—9

BANK ACCOUNT.

9—Dr.

1896 Jan. 1 Dec. 31	To Balance " Deposits in excess of drawals	✓ C.B. 3	£ s d			
			12,181	0 7		
			611	12 3		
			£12,792 12 10			

Cr.—10

ADJUSTMENT ACCOUNT.

10—Dr.

1896 Jan. 1 Dec. 31	To Balances " Cash .. " Journal .. " Balance ..	✓ C.B. 3 7 ✓	1896 Jan. 1 Dec. 31 "	By Balances " Cash .. " Journal ..	✓ C.B. 3 7	£ s d	
						87,831	3 10
						75,435	5 4
						77,148	8 10
						£240,429 18 0	
						943 15 0	

Cr.—11

GOODWILL ACCOUNT.

11—Dr.

1896 Jan. 1	To Balance	✓	£ s d	
			18,000	0 0

15—Dr. DIRECTORS' FEES ACCOUNT. Cr.—15

1896 Dec. 31	To Cash	C.B. 3	£ s d 500 0 0	1896 Dec. 31	By Profit and Loss Account ..	Fo. 4	£ s d 500 0 0
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16—Dr. TRANSFER FEES ACCOUNT. Cr.—16

1896 Dec. 31	To Profit and Loss Account..	Fo. 4	£ s d 20 0 0	1896 Dec. 31	By Cash	C.B. 3	£ s d 20 0 0
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17—Dr. BANK INTEREST ACCOUNT. Cr.—17

1896 Dec. 31	To Profit and Loss Account ..	Fo. 4	£ s d 95 0 0	1896 Dec. 31	By Cash	C.B. 3	£ s d 95 0 0
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18—Dr. WAGES ACCOUNT. Cr.—18

1896 Dec. 31	To General Ledger	J. 7	£ s d 5,404 16 0	1896 Dec. 31	By Trading Account	Fo. 32	£ s d 5,404 16 0
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19—Dr.				RENTS, RATES, INSURANCES, &c., ACCOUNT.				Cr.—19			
1896 Dec. 31	To General Ledger	J. 7	f s d 4,510 13 9	1896 Dec. 31	By Trading Account	Fo. 32	f s d 4,510 13 9			
20—Dr.											
20—Dr.				TRAVELLING EXPENSES ACCOUNT.				Cr.—20			
1896 Dec. 31	To General Ledger	J. 7	f s d 53 17 8	1896 Dec. 31	By Trading Account	Fo. 32	f s d 53 17 8			
21—Dr.											
21—Dr.				TRADE EXPENSES ACCOUNT.				Cr.—21			
1896 Dec. 31	To General Ledger	J. 7	f s d 769 8 7	1896 Dec. 31	By Trading Account	Fo. 32	f s d 769 8 7			
22—Dr.											
22—Dr.				PURCHASES (GOODS) ACCOUNT.				Cr.—22			
1896 Dec. 31	To General Ledger	J. 7	f s d 82,792 15 10	1896 Dec. 31	By Trading Account	Fo. 32	f s d 82,792 15 10			

23—Dr.					PAPER, STRING, &c., ACCOUNT.					Cr.—23	
1896 Dec. 31	To General Ledger	J. 7	£ s d 835 11 3	1896 Dec. 31	By Trading Account	£ s d 835 11 3	

24—Dr.					CARRIAGE ACCOUNT.					Cr.—24	
1896 Dec. 31	To General Ledger	J. 7	£ s d 810 1 6	1896 Dec. 31	By Trading Account	£ s d 810 1 6	

25—Dr.					ADVERTISING ACCOUNT.					Cr.—25	
1896 Dec. 31	To General Ledger	J. 7	£ s d 470 17 6	1896 Dec. 31	By Trading Account	£ s d 470 17 6	

26—Dr.					DEPRECIATION ACCOUNT.					Cr.—26	
1896 Dec. 31	To General Ledger	J. 7	£ s d 759 7 4	1896 Dec. 31	By Trading Account	£ s d 759 7 4	

SALES ACCOUNT.

27—Dr.

Cr.—27

1896 Dec. 31	To Trading Account	Fo. 32	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$	1896 Dec. 31	By General Ledger	J. 7	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$
			795,772 8 3				795,772 8 3

RENTS RECEIVABLE.

28—Dr.

Cr.—28

1896 Dec. 31	To Trading Account	Fo. 32	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$	1896 Dec. 31	By General Ledger	J. 7	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$
			151 1 10				151 1 10

DISCOUNTS ACCOUNT.

29—Dr.

Cr.—29

1896 Dec. 31	To Trading Account	Fo. 32	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$	1896 Dec. 31	By General Ledger	J 7	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$
			2,364 12 7				2,364 12 7

INTEREST ON FREEHOLDS (BRANCHES) ACCOUNT.

30—Dr.

Cr.—30

1896 Dec. 31	To General Ledger	J. 7	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$	1896 Dec. 31	By Trading Account	Fo. 32	$\begin{array}{r} \text{\$} \\ \text{d} \end{array}$
			652 10 0				652 10 0

Cr.—31

INTEREST ON FREEHOLDS (HEAD OFFICE) ACCOUNT.

31—Dr.

1896 Dec. 31	To P. & L. Account	Fo. 4	1896 Dec. 31	By General Ledger	J. 7	f s d 633 10 0

Cr.—32

TRADING ACCOUNT.

32—Dr.

1896 Jan. 1 Dec. 31	To Stock	✓	1896 Dec. 31	By Sales	Fo. 27	f s d 78,772 8 3
	" Goods	22		" Discounts	29	2,384 12 7
	" Paper, &c.	23		" Rents Receivable	28	181 1 10
	" Wages	18		" Stock carried down	✓	37,188 17 10
	" Rents, Rates, &c.	19				
	" Carriage	24				
	" Travelling	20				
	" Trade Expenses	21				
	" Advertising	25				
	" Interest on Freeholds	30				
	" Depreciations	26				
	" Loss on Sale of Old Fixtures	26				
	" P. & L. Account Transfer	Fo. 4				
						f 119,527 0 6
1897 Jan. 1	To Stock.. ..	✓				37,188 17 10

CHAPTER VI.

CAPITAL AND REVENUE EXPENDITURE.

Renewals and Repairs.—

A company controlling a large number of shops will continually have items passing through the accounts which should be carefully scrutinised before placing either to Revenue or Capital Account.

The same item—say, for carpets, chairs, rugs, &c. (which often amount to a large sum yearly)—may be either a Capital or a Revenue charge, according to circumstances. An alteration or improvement to bring the windows up to date may also be treated as Capital or Revenue, and care must be taken at the outset to determine what is included in the percentage for Depreciation of Fixtures. It is a wise rule in any case to charge all renewals of short-lived assets to Revenue. Take, for instance, incandescent mantles, globes, electric lamps—all have in a natural way only a short life, and this life cannot be estimated with any degree of accuracy; one manager may use his mantles six months, another only two, and a fixed percentage of Depreciation to cover such items and the long-lived fixtures and fittings is hardly possible. New fixtures and fittings, which are generally not in the nature of renewals, should, of course, be capitalised, and subjected to a fixed Depreciation of 10 per cent. to 15 per cent. Modern competition now demands a continual keeping up to date of shop fronts, doors, fittings, and conveniences, which makes it necessary to depreciate the fixtures at a somewhat liberal rate—10 per cent. off the original

cost is not at all too much. Many firms adopt the method of depreciating a diminishing balance instead of the first cost. This does not seem fair, as in the early years, when the shop is struggling for a place in the competitive world, it is handicapped by heavy charges, which should be borne by the latter years rather than by the early ones. The fairest principle seems to estimate the life of the fixtures and fittings, and then depreciate a fixed sum upon the original value, less interest at a fixed rate upon the diminishing balance. By the use of Inwood's tables the calculations can be easily made. For example, fixtures worth £1,000 require to be written off in ten years, charging 5 per cent. interest, which is charged to the Fixtures Account and credited to Depreciation Account. The amount to be debited each year for Depreciation is ascertained by dividing the original value by 7.722 = £129 10s. od., as shown in the vertical and horizontal columns given in the table. The Fixtures Account would then show (Form XXXIV.):—

Form XXXIV.—

Dr.

FIXTURES OR

LEASE FOR 10 YEARS.

5%

	Date		£	s	d
1st Year end	To Cash (Purchase Price)	1,000	0	0
		" Interest @ 5%	50	0	0
			£1,050	0	0
2nd Year end	" Balance	920	9	11
		" Interest	46	0	6
			£966	10	5
3rd Year end	" Balance	837	0	4
		" Interest	41	17	0
			£878	17	4
4th Year end	" Balance	749	7	3
		" Interest	37	9	4
			£786	16	7
5th Year end	" Balance	657	6	6
		" Interest	32	17	4
			£690	3	10
6th Year end	" Balance	560	13	9
		" Interest	28	0	8
			£588	14	5
7th Year end	" Balance	459	4	4
		" Interest	22	19	3
			£482	3	7
8th Year end	" Balance	352	13	6
		" Interest	17	12	8
			£370	6	2
9th Year end	" Balance	240	16	1
		" Interest	12	0	9
			£252	16	10
10th Year end	" Balance	123	9	9
		" Interest	6	3	4
			£129	10	1

LEASE ACCOUNT.

Cr.

INTEREST. PURCHASE PRICE, £1,000.

	Date		£ s d
1st Year end	By Profit and Loss (Depreciation) ..	129 10 1
		" Balance	920 9 11
			<u>£1,050 0 0</u>
2nd Year end	" Profit and Loss	129 10 1
		" Balance	837 0 4
			<u>£966 10 5</u>
3rd Year end	" Profit and Loss	129 10 1
		" Balance	749 7 3
			<u>£878 17 4</u>
4th Year end	" Profit and Loss	129 10 1
		" Balance	657 6 6
			<u>£786 16 7</u>
5th Year end	" Profit and Loss	129 10 1
		" Balance	560 13 9
			<u>£690 3 10</u>
6th Year end	" Profit and Loss	129 10 1
		" Balance	459 4 4
			<u>£588 14 5</u>
7th Year end	" Profit and Loss	129 10 1
		" Balance	352 13 6
			<u>£482 3 7</u>
8th Year end	" Profit and Loss	129 10 1
		" Balance	240 16 1
			<u>£370 6 2</u>
9th Year end	" Profit and Loss	129 10 1
		" Balance	123 6 9
			<u>£252 16 10</u>
10th Year end	" Profit and Loss	129 10 1
		" Balance	
			<u>£129 10 1</u>

New shop fronts and windows, that in point of law become landlord's property, might very properly be depreciated by an amount which would run out concurrently with the lease, and the amount so depreciated charged to Rent, as this is in the nature of an additional rent charge. Trade fixtures and fittings—such as glass shelving, counters, stock fixtures—may be

Form XXXV.—

TRADING AND PROFIT AND

Dr.

Cr.

Branches	No.	Stock Dec. 31st 1895	Goods Received	Total	Sales	Stock Dec. 31st 1896	Total	Gross Profits
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
					Discount 2,384 12 7			
Warehouse		15,546 15 4	329 8 6	15,876 3 10	186 9 11	16,136 2 9	18,707 5 3	2,831 1 5
Aberdeen	1	1,580 10 6	4,938 0 6	6,518 11 0	6,468 15 5	1,448 11 4	7,917 6 9	1,398 15 9
Bangor	2	539 7 10	2,060 19 8½	2,600 7 6½	2,511 19 7½	563 6 11	3,075 6 6½	474 19 0
Cambridge	3	620 0 8	2,313 11 1½	2,933 11 9½	2,787 12 1	735 15 0	3,523 7 1	589 15 3½
Dewsbury	4	1,317 14 6	4,219 0 4	5,536 14 10	5,535 13 10	1,186 17 10	6,722 11 8	1,185 16 10
Edinburgh	5	1,701 13 4	4,582 2 7	6,283 15 11	5,981 5 2	1,824 1 6	7,805 6 8	1,521 10 9
Filey	6	607 2 11	940 4 8½	1,547 7 7½	1,245 11 8	544 19 1	1,790 10 9	243 3 1½
Glasgow	7	986 10 9	4,283 14 6	5,270 5 3	5,361 16 1	1,003 3 4	6,364 19 5	1,094 14 2½
Harrogate	8	1,439 15 5	4,069 4 0½	5,508 19 5½	5,308 7 3	1,405 18 0	6,714 5 3	1,205 5 9½
Ipswich	9	912 11 10	1,866 17 7½	2,779 9 5½	2,481 13 1½	852 6 6	3,333 19 7½	554 10 2
Jarrow	10	792 14 3	2,281 19 4	3,074 13 7	2,926 0 1½	722 16 11	3,648 17 0½	574 3 5½
Kettering	11	608 12 4	2,130 17 1	2,739 9 5	2,635 11 1	672 13 10	3,307 15 9	568 6 4
Liverpool	12	3,014 1 6	6,510 18 2½	9,524 19 8½	8,642 8 4	3,151 17 8	11,794 6 0	2,269 6 3½
Manchester	13	730 16 0	3,545 1 7	4,275 17 7	4,497 14 10	750 6 4	5,248 1 2	972 3 7
Newcastle-on-Tyne ..	14	1,419 18 0	6,234 10 2½	7,654 8 2½	7,914 15 9	1,473 4 8	9,388 0 5	1,733 12 2½
Oldham	15	605 15 11	2,576 14 4	3,182 10 3	3,169 11 2	708 9 11	3,878 1 1	695 10 10
Preston	16	591 19 3	1,508 10 6½	2,100 9 9½	1,782 18 8	651 16 8	2,434 15 4	334 5 6½
Rochdale	17	1,523 0 4	3,481 15 4½	5,004 15 8½	4,591 10 3	1,421 4 7	6,012 14 10	1,007 19 1½
Shipley	18	620 19 3	1,108 3 5½	1,729 2 8½	1,315 0 9½	685 7 11	2,000 8 8½	271 6 0
Todmorden	19	386 16 2	1,468 10 7	1,855 6 9	1,647 5 6	478 17 6	2,126 2 6	270 15 9
Wigan	20	645 4 6	2,342 11 6	2,987 16 0	2,780 17 3	770 19 7	3,551 16 10	564 0 10
		£ 36,192 0 7	62,792 15 10	98,984 16 5	79,772 8 3	37,188 17 10	119,345 18 8	20,361 2 3½
				Discount	2,384 12 7			

Figures in heavier type have been

removed, and though probably of little value then, they can be utilised elsewhere. Not so with a shop front; when the lease expires the interest in it expires, and cannot be transferred to another branch. With respect to fixtures and fittings of a shop given up, or where they have been replaced altogether by more modern ones, the value of the fittings so replaced should be

LOSS ACCOUNT, 31st December 1896.

Dr.

Paper, String, Boxes, &c.	Wages	Rent, Rates, Taxes, Water, Light, and Insurance	Miscellaneous	Traveling	Trade Expenses	Advertising	Depreciation	Total	Net Profit
£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
			Int. on Freehold 292 10 0 Carriage 810 1 6						
47 14 0½	466 15 0	139 15 7	..	42 10 1	148 11 6½	..	18 5 0	1,966 2 9	864 18 8
81 12 1½	357 15 10	303 2 6	..	9 13 5	112 14 6	78 6 0	6 8 5	999 12 9½	399 2 11½
27 18 3½	172 18 3	85 15 5	..	..	14 19 8½	4 18 6	11 2 4	317 12 6	157 6 6
24 15 11½	170 6 10	222 6 10	..	..	7 16 5	3 10 6	24 16 11	453 13 5½	136 1 10
54 9 1½	308 14 11	278 19 9	..	..	42 7 10½	27 6 6	83 10 6	795 8 8	390 8 2
47 3 3	397 18 7	409 3 10	..	..	9 12 4	17 1 2	101 2 6	1,012 1 8	509 9 1
17 11 0½	98 19 6	137 12 7	..	..	11 9 1½	9 7 9	13 18 10	288 18 10	48 15 8½
66 17 8	296 10 10	246 6 9	..	0 14 2	31 13 1½	19 18 4	32 14 7	694 15 ½	399 18 8½
59 4 0	313 1 2	250 8 1	..	..	47 18 10½	34 8 6	70 14 10	775 15 5½	429 10 4
25 5 7½	176 7 5	139 11 4	..	..	12 15 1	6 16 6	10 14 6	371 10 5½	182 19 8½
34 18 5½	170 4 10	120 9 11	..	..	11 7 6	8 8 3	20 6 0	365 14 11½	208 8 6
25 18 8½	166 12 5	94 3 0	..	..	17 0 10	4 1 0	16 11 3	324 7 2½	243 19 1½
42 8 0½	634 7 4	481 9 1	..	..	74 16 11	16 8 11	102 4 2	1,351 14 5½	917 11 10
46 16 11	227 3 1	194 18 6	..	..	16 18 6	20 19 3	17 7 5	524 3 8	447 19 11
64 13 10	422 19 0	139 14 10½	Int. on Freehold 360 0 0	..	40 6 6½	96 11 7	30 8 0	973 11 11½	760 0 3
27 12 5	197 14 4	193 2 2	..	..	4 12 6	3 8 0	19 11 0	446 0 5	249 10 5
27 7 9	126 16 10	66 6 6	..	..	32 19 7½	11 14 3	11 6 3	276 11 2½	57 14 4
42 12 3	275 2 2	240 11 4	..	..	47 18 6	43 17 5	45 16 8	695 18 4	312 0 9½
12 6 10½	162 15 7	160 12 0	Loss on Fixtures 20 0 0	..	42 12 2	48 3 11	47 19 11	494 10 5½	233 4 5½
26 15 10½	134 0 4	69 10 11	..	..	18 4 2	3 16 8	7 17 2	260 5 1½	10 10 7½
31 9 0	187 11 9	206 12 10	..	..	22 12 9	11 14 6	26 11 1	486 11 11	77 8 11
35 11 3	5,464 16 0	4,210 13 9	Carriage 810 1 6 Interest on Freehold 652 10 0 Loss on Fixtures 20 0 0	52 17 8	769 8 7	470 17 6	769 7 4	13,875 1 9½	6,486 0 6
		Rent rec. 181 1 10							

Deducted before making up the totals.

ascertained and debited to Profit and Loss Account, and the new fixtures charged to Capital Account. This does not, of course, apply to short-lived fittings, which have been mentioned when dealing with renewals, but to the staple fixtures of from ten to fifteen years' life.

During stocktaking the office staff has been busy making up and closing the various Ledgers, which are now in a state to give the final results of the year's trading.

The General Ledger supplies the necessary data for making up a Branches Trading Account, with the exception of stocks. These are taken from the Private Ledger, and the profit or loss at each and all the branches ascertained (Form XXXV.). The General Trading Account and Profit and Loss Account, made up from the entries transferred from the Private Ledger, are now complete, ready for introducing into the figures of the Balance Sheet (Form XXXVI.).

Form XXXVI.—

THE EXCEL RETAIL TRADING CO., LIM.

TRADING ACCOUNT, 31st Dec. 1896.

	Dr.		Cr.	
	£	s d	£	s d
Stock as on 31st Dec. 1895	36,192	0 7		
Goods	62,792	15 10		
Paper, String, Boxes, and Sundries	835	11 3		
Wages	5,464	16 0		
Rents, Rates, Taxes, Light, Water & Insurance	4,210	13 9		
Carriage	810	1 6		
Travelling	52	17 8		
Trade Expenses	769	8 7		
Advertising	470	17 6		
Interest on Freeholds	652	10 0		
Depreciation	769	7 4		
Loss on Sale of old Fixtures	20	0 0		
Sales			79,772	8 3
Discounts on Purchases			2,384	12 7
Rents, Receivable			181	1 10
Stock as on 31st Dec. 1896			37,188	17 10
Balance to Profit and Loss Account	6,486	0 6		
	£119,527	0 6	£119,527	0 6

PROFIT AND LOSS ACCOUNT, 31st Dec. 1896.

	<i>Dr.</i>			<i>Cr.</i>		
	£	s	d	£	s	d
From Trading Account .. .. .	..	..	..	6,426	0	6
Directors' Fees and Office Wages.. .. .	500	0	0			
Commissions	250	0	0			
Income Tax	170	0	0			
Audit Fee	150	0	0			
Transfer Fees .. .. .	..	..	..	20	0	0
Bank Interest <i>less</i> Commission .. .. .	..	..	..	95	0	0
Interest on Freeholds .. .. .	..	..	..	652	10	0
Net Profit	6,183	10	6			
	£7,253	10	6	£7,253	10	6

With the Balance Sheet as on December 31st 1896 the year's bookkeeping closes (Form XXXVII.).

PART II.

CHAPTER I.

DISTRICT ORGANISATION SCHEME.

It will now be advisable to show the system of accounts in its more complicated organisation. The foregoing has simply dealt with the accounts as a whole, where everything has been worked from one Central Warehouse. A modification is necessary when several firms have amalgamated, and continue to trade and conduct their businesses as separate units of a complete system. By this method of organisation the Head Office Accounts become more complicated, the rest of the operations being mainly on lines already explained. As the tendency of trade is in the direction of amalgamation of interests without sinking the identity of the concerns, an example may be of service to the reader.

The Excel Retail Trading Co., Lim., enters in amalgamation with several rival and competing firms, say, John Smith & Co., of Manchester; Dickson Bros., of Sheffield; and Thos. Thompson, of London. For trade purposes the old names are retained, and the management is conducted by the heads of the respective firms, who each receive a commission, in addition to salary, upon the results of the district trading. Head Office expenses are borne in proportion to profits by the respective firms.

The capital of the new company is £200,000 (all of which has been issued and subscribed), made up of £100,000 in 6 per cent. Cumulative Preference Shares of £10 each and £100,000 in Ordinary Shares of £10 each. In this example practically four businesses must be dealt with almost as though each were conducted independently.

The internal buying, selling, and despatching goods to branches of each district is conducted as already described in Part I. Invoices are sent by the manufacturers to the district Warehouse ordering the goods, and these invoices, after being checked (as illustrated previously), are forwarded to the Head Office, each bearing a rubber stamp impression showing to which district Warehouse it refers. The shop manager orders his supplies from the district Warehouse to which his branch is attached, and sends all his returns weekly to that Warehouse, which in turn forwards them, completed, ready for the books, to the Head Office.

At the Head Office the staff is arranged so that the accounts of all the districts and their branches can be made up simultaneously. In practice it is found desirable to keep a separate set of books for each of the districts, and link them together by means of Adjustment Accounts. The four General Ledgers, with their Cash Books and Bought Ledgers, are apportioned to responsible clerks, each clerk having charge of the whole of the Ledgers and their subsidiary books for the district assigned to him. The Purchase Journals are given to another clerk, and the Cheque Payment Book to another. The Order Sheets of the different districts are distributed amongst several juniors to check.

The method of keeping the Purchase Journals calls for no special remarks. The invoices for the district, having been kept separate from the other district invoices, are entered up, and

Dr.

Cr.

C

The payments for Purchases and Expenses for the whole district are entered on the *Cv.* side in the usual manner.

Form XXXIX.--- CHEQUE PAYMENT BOOK.

WEEK ENDING.....

Cheque No.	Date	Name	Description	Voucher No.	Total	Excel R.T. Co., Lim.	J. P. C.	D. Bros.	T. T.	Head Office
					£ s d	£ s d	£ s d	£ s d	£ s d	£ s d

the postings made to the District Bought Ledger and General Ledger in the usual manner by the clerk in charge of the books.

The District Cash Book shows the receipts and payments on behalf of the district, and is ruled as per Form XXXVIII. for Bought Ledger and General Ledger items and discount. The postings are made to those Ledgers.

The Cheque Payment Book is somewhat different to the one previously described. To avoid a duplication of cheques to the same firms, it is arranged that one cheque serves to pay the accounts due to any particular creditor by all the districts. Form XXXIX. illustrates the ruling. No postings whatever are made from this book ; it is employed simply as a convenience, and the entries into it are taken from the respective District Cash Books.

The Bank Receipts Book, used in the system explained in Part I., is done away with, the particulars appearing instead in the different Cash Books.

The monthly totals of Bank Receipts and Payments are transferred from the Cash Books into a General Cash Book, ruled in columnar manner to include the different districts, *vide* Form XL. The General Ledger used for each of the districts need not be altered, and will include the same kind of accounts as illustrated in previous examples. The postings are made from the district books. In place of the Adjustment Account, a Head Office Account is opened, to which the adjusting entries are posted.

Each of the District Ledgers may be made self-balancing, but as there is no special advantage to be gained in adopting the principle for the Bought Ledgers, the method already shown will serve in this case. The General Ledger of each district may be made partially self-balancing by opening a Head

Office Account and posting the Cash balance from the Cash Book to it, and a Trial Balance can be made by including Bought Ledger Balances. The Private Ledger undergoes a slight change in its rulings for district organisation. The same classes of accounts naturally find their way into it, but these are put under their different districts. Thus Excel Retail Trading Co. Stock Accounts, Smith & Co. Stock Accounts, and so on for the different shops, are grouped under these headings.

For the purpose of keeping items of Head Office expenditure quite private, a separate Private Cash Book into which details are entered is usually kept, and posted to the Private Ledger. Transfers of goods, which often take place between branches in one district to branches in another, are treated as if the goods had been supplied from the proper district Warehouse in each case, and the stock of the supplying and receiving districts is debited and credited, as the case may be, in the Private Ledger.

For example, Aberdeen in District A sends goods to London in District D. The goods are credited to Aberdeen by District A in the Supplies Journal. The goods are debited to London by District D by means of the same Journal for that district. The Aberdeen Stock in the District A Stock Account is credited, and the London Stock in the District D Stock Account debited at the close of the year in the Private Ledger. By posting the monthly totals from the Bank Cash Book to the respective District Accounts a Trial Balance may at any time be made.

The district Trading and Profit and Loss Accounts are drawn up in the usual way. The trading for each district, with the Head Office figures, may be shown as in Form XLI.

CHAPTER II.

HINTS ON IMPORTANT MATTERS.

THE secretary of a company, or the head bookkeeper of a private firm, will from time to time have to deal with many matters that rightly come within his duties, which involve many points of law and business practice. Without attempting to give legal opinions on the matters here mentioned, a few remarks from a practical point of view may, nevertheless, be useful. Questions affecting leaseholds, assessment of rates, income tax, County Court proceedings, insurances, and banking will engage his attention.

No doubt he will have to open negotiations for the purchase of freehold property, or for leases, to give or accept notice of the termination of tenancy, and deal with other matters affecting the relations of landlord and tenant generally. He will have to see that the stock and property are covered against loss by fire, that provision is made against the dishonesty of employees. The preliminary stages of contracts and agreements will generally be his work, although the solicitor will be the proper person to carry these matters to a conclusion, yet a little knowledge of what *not to do* will be very useful. A letter carelessly worded may render void or make a contract where matters have not yet come to a head.

Contracts and Agreements.—

The essentials to be remembered by parties entering into a contract or agreement of any sort are that the date, names, and addresses of contracting parties, nature of contract or agreement and consideration, should be clearly specified; that it is best to be in writing, and that it should be accepted as made, without any alteration whatever, by the second party to the contract. In sending a letter which may be made into a contract care should be taken not to put anything into it which is outside the idea of the agreement or contract, or to leave any essential point out. The letter or document should be stamped with the proper agreement stamp. In the case of the purchase or sale of freehold property, it will be the safest and cheapest policy to place the matter in the hands of the solicitor at once, and let him deal with the parties concerned.

Leases.—

Most large firms find it advisable to obtain leases of their premises, in order to give them security of tenure. Where a good steady trade is being done, a lease should always be got, if possible.

The chief official of the company, or firm, will write or personally interview the landlord to ascertain upon what terms a lease would be granted. He should be careful, before accepting the landlord's terms, to fully understand the covenants the lessor wishes to impose, particularly as to repairs, and restrictions to sub-letting or assigning the premises, insurance, &c. He should endeavour to obtain covenants restraining the lessor from letting the adjoining property to a competitor, and making him responsible for the maintenance of the main walls, timbers, drains, and sewers; and in case of fire for the rent to be suspended until the premises have been rendered habitable. An option to grant a renewal of the lease for a further

Form XLII.—

LEASE BOOK.

Branch	Landlord or Agent	Term of Lease	Rental	Rent Days	Special Covenants	Landlord's Fixtures	Tenant's Fixtures
Aberdeen ..	John English, 14 Winter Street, Carlisle	years from Aug. 13 1893	4 @ £200 3 @ £250	Feb. 11 May 12 Aug. 12 Nov. 11	Paint inside and outside in 4th year, and six months before leaving. Erect a staircase to be Landlord's property	As per Schedule attached to Lease, £30	As per Fixtures Journal, £308.

term is also a useful and valuable covenant. It will be found of great assistance to keep a book called the Lease Book (Form XLII.) to enter full particulars of all the leasehold properties, with the name of Landlord or Agent, Rent and Rent days, Landlord's fixtures and Tenant's fixtures, Special Covenants, and Amount of premium paid, if any. From this book the leases can be constantly followed, and proper arrangements made in due course for renewal, if desired.

Assessment of Rates.—

In connection with matters appertaining to property, either freehold or leasehold, it is as well to understand the method of rate assessment. Property is assessed for rate purposes by an Assessment Committee, which is a body elected by the Board of Guardians, and must not consist of less than six members or more than twelve. Not less than three members must be present to form a quorum. The Committee meet usually four times a year. Where any party is aggrieved by reason of unfair assessment, to obtain redress it is necessary to lodge an appeal within a certain specified time (which may be ascertained from the Clerk to the Overseers), stating the grounds of objection to the assessment. One copy of this must be sent to the Assessment Committee of the Union and another to the Overseers of the parish in which the property is situate. The letter may take the following form:—

THE EXCEL RETAIL TRADING CO., LIM.

MANCHESTER, *August 16th* 1896.

DEAR SIR,—

I beg to notify you that we intend to appeal at the next meeting of the Assessment Committee against the Assessment of the shop in our tenancy, No. 148 Beer Street, Aberdeen.

Our ground of objection is that the rent of these premises has been reduced from £250 to £200 per annum, consequent upon the decrease in business value of the property.

Yours truly,

M. HORSFALL,

Secretary.

To the CLERK TO THE OVERSEERS,
ABERDEEN.

On receipt of this letter the appellants receive a notice as follows (Form XLIII.)—and on the appointed day appear (with the necessary landlord's receipts for rent paid, the lease, and any other papers relating to the rent paid) before the Committee, who cross-examine them, and decide whether the appeal shall be allowed or the application for abatement be refused.

Form XLIII.—

INCORPORATION FOR THE POOR.

ASSESSMENT COMMITTEE.

Meetings of the Committee for hearing objections to the Valuation List for the Parish of Holy Trinity and St. Mary, during the year ending 15th April 1897, will be held at the Board Room of the Workhouse, Scotland Road, at **2 o'clock** in the afternoon, on

Wednesday, 29th May,	1896.
„ 21st August,	„
„ 20th November,	„
„ 19th February,	1897.

NOTICE in writing of intention to appear and object, specifying the grounds of objection, must be given **Two clear days at least before the date of Meeting of the Committee** to the Overseers by leaving the same with Mr. George Bird, Assistant Overseer, Parochial Offices, Briggate, and to the Assessment Committee by leaving same with the Clerk to the Committee, Mr. Richard Summer, Solicitor, St. George's Chambers, High Street.

Insurances (Fire).—

All property and stock should be covered by an insurance policy. The stock can usually be insured for a premium of about 2s. 6d. per cent., the property itself at 1s. 6d. per cent., or more, according to the nature of the adjacent property and the building itself, and the class of goods stocked. A good agent will give advice as to the cheapest method of insurance, for

Form XLIV.—
FIRE INSURANCES BOOK.

Branch	Company	Description	Amount Insured		Premium	Quarter Days
			On Building	On Stock		
			£ s d	£ s d	£ s d	
Aberdeen	Caledonian Insurance Co. ..	Brick-built and slated. Heated with gas	4,000 0 0	..	4 0 0	Dec. 25
	Royal Insurance Co.	Say £1,800 Stock .. ..	..	1,800 0 0	2 5 0	Do.

The Insurances on all the Shops should be made to fall due on the same Quarter Day for convenience.

although the tariff offices all charge the same rate, the removal of a gas stove, or stove piping, or a fixture in a dangerous position will make all the difference between a rate of 2s. 6d. per cent. and 10s. per cent. Many large firms act as agents through their chief official, and thus secure a commission of from 10 per cent. to 15 per cent. Where the premium is a very large one a considerable economy is thus effected. Most of the policies are drawn up from one model, but it is always as well to read the conditions very carefully, to see that the amount insured will be handed over without unnecessary delay and trouble. Form XLIV. shows a useful book, from which full particulars may at any time be gleaned without having to turn up the policies.

Plate Glass Insurance.—

Shop windows, shelving, and mirrors are becoming yearly more and more elaborate, and consequently more valuable. A number of plate glass insurance offices offer very good terms, either based upon the rental of the premises (taking into account specially dangerous positions), or by the area of plate glass itself. Where the shops are few, it is doubtless the wisest policy to insure the glass against breakage in a sound office, which will for a given premium replace any breakage very speedily. When the firm has a large number of shops spread up and down the country, it will be found considerably cheaper to open a Plate Glass Insurance Fund, and charge a certain amount to each of the shops, and have the breakages replaced out of the moneys in such a fund. Fifty per cent. can be saved by this method, and thus, perhaps, where 100 shops require to be insured, £50 to £100 can be saved annually.

Fidelity Guarantee.—

Shop managers in the course of their duties will have large sums of money passing through their hands weekly. Without

casting any reflection upon a very hardworking, conscientious, and honest body of men, it is a wise precaution to get a Fidelity Guarantee Bond from all persons handling money or stock. Instead of taking out a separate policy for each manager, the company will usually grant a collective policy, which has this advantage over a separate policy: that new employees can be substituted for employees who have left, without extra charge, and at the same time a complete list of all persons guaranteed is on the policy. In the case of a change of management, either by transfer from one branch to another, dismissal, or leaving employment, it is only a matter of a letter, and the policy is made to suit the changes made. A premium of 20s. per cent. is usually charged.

Income Tax Returns.—

One of the most troublesome duties of the secretary will be to make out the Income Tax Return for his company, to satisfy the Surveyor of Taxes. There is, of course, a right and a wrong way to make out this return, and it is usually the best policy to make out the return in the manner suggested by the Surveyor. The schedule under which the profits of the company will be assessed is Schedule D. The rate of the tax is the current income tax. Property will be assessed under Schedule A, but, as no tax is payable twice in respect of the same income, it may be deducted in making up the return. The tax paid by the tenant on behalf of the landlord may be deducted from the next payment of rent. The tax is made up to the 5th April each year, and is payable on or before the 1st of January of that year.

A return is sent out early each year by the Assessor, which must be filled up correctly, giving full particulars of income from all sources, and returned in a specified time. In the case of a company which pays its tax to the district in which its

Head Office is situated, an arrangement can be made to supply the local Surveyor with a return, in place of numerous returns, drawn up as Form XLV. It will be found that many items in the company's Trading Account will not be allowed as deductions from profit, although actually reducing the profits, such particularly as items of Depreciation. Most Surveyors allow 5 per cent. for Depreciation of Fixtures and Fittings, but no deductions will be allowed off leaseholds.

Form XLV.—

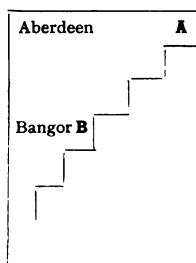
THE EXCEL RETAIL TRADING CO., LIM.

1897-8 LIABILITY.

	£	s	d	£	s	d
Year 1896, Net Profits	6,183	10	6			
Depreciations, Fixtures .. £542 14 4						
„ Leaseholds .. 226 13 0						
			769 7 4			
Income Tax			170 0 0			
			<u>7,122 17 10</u>			
Less Rents Receivable						
on Premises let. £181 1 10			181 1 10			
						<u>6,941 16 0</u>
Profit for year 1896						6,941 16 0
„ „ 1895						5,974 13 5
„ „ 1894						<u>5,507 11 2</u>
						3) 18,424 0 7
						<u>6,141 6 10</u>
Less Annual Value of own Properties						580 0 0
						<u>5,561 6 10</u>
Less Half Depreciation on Fixtures allowed ..						271 7 2
						<u>£5,289 19 8</u>
Amount of Assessment ..						

Fixtures and Fittings.—

A very good plan where there are a large number of shops dealt with is to keep a special Fixtures Journal, in which full details can be entered up, and by dispensing with the Fixtures column in the Purchase Journal the posting can be made from it both to the Creditors and the Branch Fixtures Account. The books can be arranged in the form of a Branch Index, leaving a few blanks for each letter of the alphabet, commencing the name of the branches thus:—



&c. This book will enable a quick reference to the Invoice.

The Invoices should be posted in a special Guard Book, bearing the title on the back—

FIXTURES AND FITTINGS.

1896.

Collection of Bad Accounts.—

No matter how careful a firm is in giving credit, there will always be a number of accounts which, if not properly looked after, will become bad. A letter or notice sent in due season from the Head Office will often have the effect of making many of the long-winded and dishonest customers pay up. Each branch manager should be supplied with a Debt List Book (Form XLVI.), in which the outstanding accounts should be entered monthly and sent to Head Office, the tissue copy being retained by the shop manager. The list would show the date when the account was opened, the name and address of the debtor, and the amount due, with the manager's remarks as to the reason of non-payment. The list should be carefully gone through, and a letter of varying degrees of peremptoriness, according to the age of the account sent out from the Head Office (Forms XLVII.—Mild, Strong, Final).

Form XLVI.—
BRANCH, ABERDEEN.
BOOK DEBTS, March 16th 1896.

Branch Ledger Fo.	Date	Name	Address	Amount	Cash Paid	Date	Remarks
7	1896 Mar. 1	R Kirk	10 Elm Villa, Aberdeen	£ s d 1 8 4	£ s d		
5	10	John Scott	High Street	0 7 10			
6	8	Mrs. Edwards	Bank House	0 5 2			
7	6	H. Batman	10 The Cragg	1 8 0			
9	5	A. Christian	39 Leeds Road	0 6 11	0 3 11	1896 Mar. 17	
10	4	J. Thomas	16 Back Avenue	0 4 11	0 2 11	18	
11	1895 Dec. 20	R. Flipp	Cross Street	1 5 0	..	..	Bad. Left the town, no trace.

Form XLVII.—**MILD.**

THE EXCEL RETAIL TRADING CO., LIM.

MANCHESTER, *September 2nd 1896.*

SIR,—

I wish to draw attention to your account amounting to £1 8s. 4d. due to our Aberdeen shop, and to point out that as our terms are cash we cannot allow the account to remain unpaid any longer, and must request that you pay the same to our manager as early as possible.

Yours truly,

M. HORSFALL,

Secretary.

Mr. R. KIRK,
10 Elm Villa, Aberdeen.

Form XLVII.—**STRONG.**

THE EXCEL RETAIL TRADING COMPANY, LIM.

MANCHESTER,

October 10th 1896.

SIR,—

I am surprised to find that your account amounting to £1 8s. 4d. with our Aberdeen shop, which has been applied for previously, has not yet been paid, and to inform you that unless the same is paid in full immediately, the matter will be placed in other hands.

Yours truly,

M. HORSFALL,

Secretary.

Mr. R. KIRK, 10 Elm Villa, Aberdeen.

Form XLVII.—**FINAL.**

THE EXCEL RETAIL TRADING COMPANY, LIM.

MANCHESTER,

November 15th 1896.

SIR,—

I have again to remind you that the account you owe to our Aberdeen shop amounting to £1 8s. 4d. is still unpaid, and as you appear to make no effort to pay it, I beg to give you notice that unless the same is paid within seven days, it will be put into Court. If you wish to save the extra expense, please pay the amount immediately to our manager.

Yours truly,

M. HORSFALL,

Secretary.

Mr. R. KIRK, 10 Elm Villa, Aberdeen.

Form XLVIII.—
DEBT COLLECTION BOOK.
A. KIRK, 10 Elm Villa, Aberdeen.

Date of Account	Folio Shop Ledger	Amount due	Dates of Notices			Date of County Court Order and Amount	Cash Received										Total
			1st	2nd	3rd		Jan.										£ s d
1896 Mar. 1	No. 1, fol. 56	£ s d 1 8 4	Sept. 2	Oct. 10	Nov. 15	Dec. 10 1896, 2/- weekly	2/-										

As a rule most debtors pay up if they are not allowed to overstep a reasonable limit of credit. A Debt Collection Ledger (Form XLVIII., in which all these accounts should be transferred, will enable the Head Office to keep the doubtful accounts well in mind, and enable the clerk in charge to submit lists of accounts which require the attention of the County Court. The managers should send their Ledgers up to the Head Office quarterly, to check with Debt Lists and to have the additions checked.

County Court Proceedings.—

These are best left to a solicitor, for unless there are a lot of accounts to put into the same County Court, much time is wasted in attending to these matters. To those who desire to personally deal with County Court cases a useful book can be purchased, published by E. Wilson, London, entitled "The County Court Guide."

Gas, Water, and Electricity Matters.—

The secretary will have continually to deal with companies or public bodies supplying the above, and should therefore be in a position to know the rights, duties, and privileges which these monopolists enjoy. A cheap and useful book is the "Consumers' Handbook," published by E. Wilson, London.

Employers' Indemnity.—

The recent Act has made it prudent to cover liability for accidents by insurance. The terms of most offices are extremely reasonable.

Bank Account.—

The interest received, and commissions charged, by the bank should be periodically checked, and the balance at the bank proved with the figures shown in the company's books.

The following is a specimen of a Bank Reconciliation Account (Form XLIX.)

Form XLIX.—

RECONCILIATION OF BANK ACCOUNT,
December 31st 1896.

1896 Dec. 31		£ s d		£ s d
	Balance as per Private Ledger Bank Account..	11,791 12 10.	Cash in Bank Receipt Book, but not yet in Pass Book ..	250 0 0
	*Unpresented Cheques ..	234 7 9	(Representing re- ceipts for the last day of the year.)	
			Balance as per Pass Book ..	11,777 0 7
		£12,027 0 7		£12,027 0 7
*Nos.	10,765 £55 6 5			
"	11,989 2 1 2			
"	12,347 18 3 6			
"	17,602 26 0 0			
"	18,112 15 13 0			
"	18,117 7 3 8			
"	18,130 110 0 0			
	<u>£234 7 9</u>			

The Financial Statement

is designed to show the receipts, payments, and bank balance, weekly or monthly, and enables the directors or principals to control expenditure in accordance with the balance at the bank (Form L.).

Form L.—

FINANCIAL STATEMENT,.....1896.

	Excel R.T. Co., Lim.	J.S. & Co.	D. Bros.	T. T.	Head Office	Totals
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Cash paid into Bank ..						
Cheques Drawn ..						
" " to-day						

Bank Balance.....

Shop Sales Return,

containing the weekly sales at each of the branches, with the amount of increase or decrease as compared with the previous year, serves to give the management an idea of the state of trade, and may suggest the necessity of lifting the sales up at individual branches by improvements in the general appearance of the shop, or a change of manager (Form LI.).

Form LI.—

THE EXCEL RETAIL TRADING COMPANY, LIM.

SHOP SALES Week ending

Week's Comparisons	1896			1895			+	-	Cumulative Comparison for period Jan. 4 to April 5				+	-
	1896			1895					1896		1895			
	£	s	d	£	s	d			£	s	d	£	s	d
Aberdeen														
Bangor														
Cambridge														
Dewsbury														
Edinburgh														
Filey														
Glasgow														
Harrogate														
Ipswich														
Jarrow														
Kettering														
Liverpool														
Manchester														
Newcastle-on-Tyne														
Oldham														
Preston														
Rochdale														
Shipley														
Todmorden														
Wigan														

Sales last year							Sales last year			
Sales this year } at same shops }							Sales this year } at same shops }			
Difference							Difference			
New Shops							New Shops			
Gross Increase							Gross Increase			

+ Signifies increase.

- Signifies decrease.

Periodical Stock Return (Estimated).—

To guard against the accumulation of old stock, a monthly Stock Account should be submitted to the management, and if it is found that the stocks are becoming heavier than the trade warrants, efforts should be made to keep them at a normal level by instructing the Warehouse or Warehouses to reduce the lines to be ordered wherever possible. Form LII. gives an example of the return made up at the Head Office.

Form LII.—

ESTIMATE OF STOCK on March 31st 1896.

		£	s	d	£	s	d
Stock at January 1st 1896	.. ..				36,192	0	7
Purchases to March 31st 1896	.. ..	15,374	5	1			
Less Discounts at 5%	.. ..	768	14	3			
					14,605	10	10
Sales to March 31st 1896	.. ..	19,943	2	0	50,797	11	5
Less Estimated Gross Profit	.. ..	4,985	15	6			
					14,957	6	6
Estimated Stock as on March 31st 1896	.. ..				£35,840	4	11

Weekly Stock Return or Stock Thermometer.—

To keep the branch stocks at a normal level the above form is supplied to the general manager weekly, and enables him to cut down or increase the supplies ordered up by the branch managers (Form LIII.).

Form LIII.—**THE EXCEL RETAIL TRADING COMPANY, LIM.**

Stock Return, Week ending

Branch	Actual Stock	Supplies	Sales	Normal Stock	Surplus Supplies	Under Supplies	Remarks
Aberdeen	£	£	£	£	£	£	
Bangor							
Cambridge							
Dewsbury							
Edinburgh							
Filey							
Glasgow							
Harrogate							
Ipswich							
Jarrow							
Kettering							
Liverpool							
Manchester							
Newcastle-on-Tyne							
Oldham							
Preston							
Rochdale							
Shipley							
Todmorden							
Wigan							

Finally, as the secretary should be able to answer any questions on matters relating to all the branches at a moment's notice, he would be enabled to do so by compiling a little compendium, showing at a glance information as to terms and length of leases, particulars of fixtures and fittings of the shops, insurances, average weekly sales, yearly net profits, and stock at each of the shops. If made in the form of an index, the information for any branch can be turned up in a moment. This book might be called

The Shops Book,

and be kept private (Form LIV.).

SHOPS BOOK.

Form LIV.—

Branch	Leases				Value of Fixtures	Insurances			% of Gross Profit	Average Stock
	Date	Term	Rental	Covenants		Fire	Glass	Fidelity		
Aberdeen..	1893 Aug. 13	7 years	4 @ £200 3 @ £250	Paint inside and outside 4th year, and 6 mons. before leaving. Erect new staircase, to be Landlord's property.	£ s d 308 0 0	Caledonian Building £4,000 Royal Stk. £1,800	Own Glass Fund	General Policy, £250	Average Sales and Net Profit 1895 £124 1896 £400 1897 1898 1899 1900	21.6 £2,100

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